

File No. 100352

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Sub - Committee: Budget and Finance

Date: May 5, 2010

Board of Supervisors Meeting

Date: _____

Cmte Board

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OTHER

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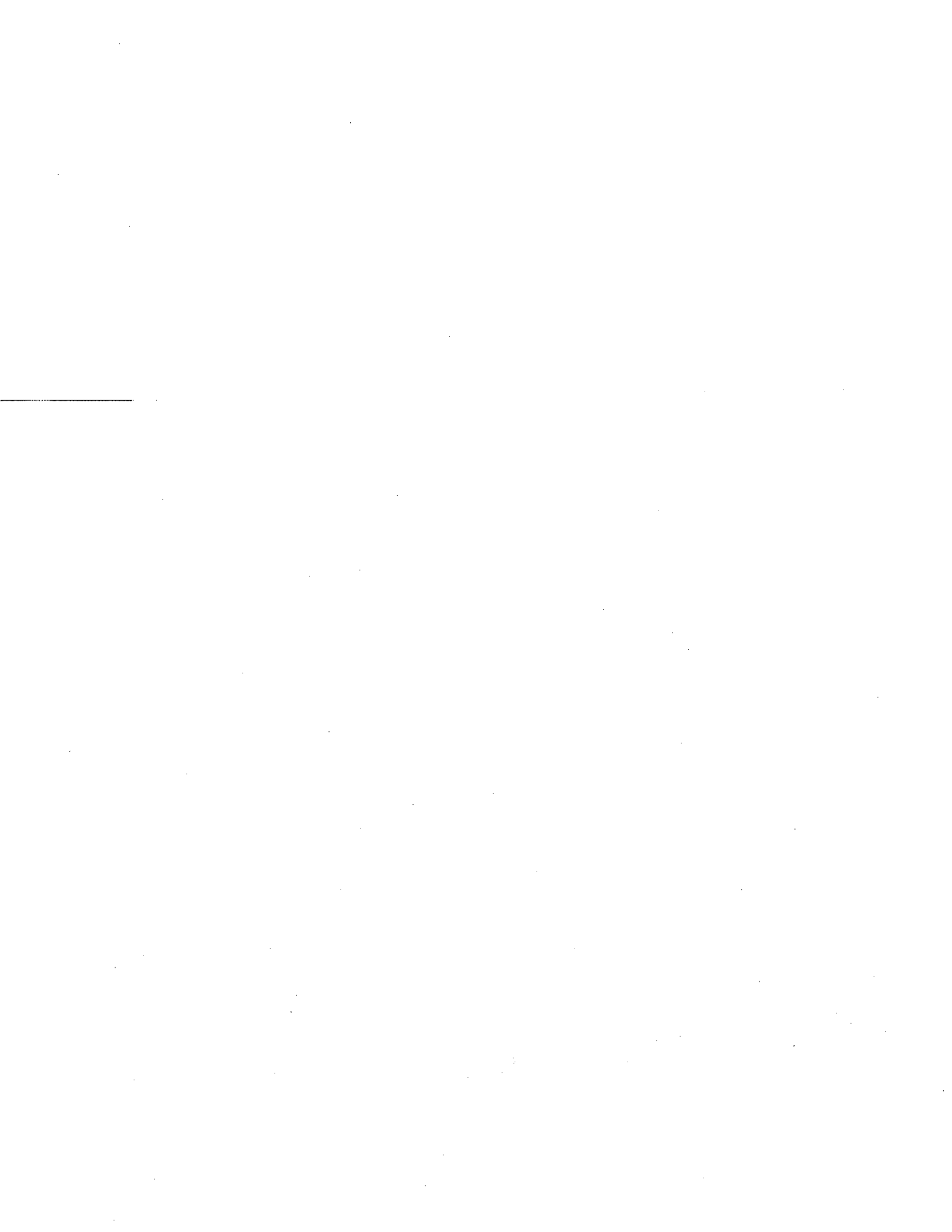
Completed by: Andrea S. Ausberry

Date Friday, April 30, 2010

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.



1 [Airline and Airport Lease and Use Agreement Modifications and Lease and Operating
2 Agreement Modifications with Various Airlines]

3 **Resolution approving modifications to the terms of eight (8) Airline and Airport Lease**
4 **and Use Agreements and eleven (11) Lease and Operating Agreements between City**
5 **and County of San Francisco and various airlines to allow such airlines to modify the**
6 **rental of terminal space and modify the terms of one (1) Airline and Airport Lease and**
7 **Use Agreement to allow for early termination of said Lease and Use Agreement.**

8
9 WHEREAS, Various airlines conduct flight operations at San Francisco International
10 Airport pursuant to Airline/Airport Lease and Use Agreements which terminate on
11 June 30, 2011, including: American Airlines, Inc. – L82-0111; China Airlines Limited –
12 L82-0315; Delta Air Lines, Inc. – L82-0115; Japan Airlines International Company Limited –
13 L82-0117; Compania Mexicana de Aviacion S.A. de C. V. dba Mexicana Airlines – L83-0045;
14 Northwest Airlines, Inc. – L82-0119; Philippine Airlines, Inc. – L82-0317; Singapore Airlines
15 Limited – L82-0124; and United Air Lines, Inc. – L82-0126 (collectively, the “Lease and Use
16 Airlines”) and (collectively, the “Lease and Use Agreements”); and

17 WHEREAS, Various airlines conduct flight operations at San Francisco International
18 Airport pursuant to Lease and Operating Agreements which terminate on June 30, 2011,
19 including: Air China Limited – L99-0315; Air France – L99-0316; All Nippon Airways
20 Corporation Limited – L99-0319; Asiana Airlines – L99-0318; British Airways, PLC –
21 L99-0320; Cathay Pacific Airways Limited – L99-0321; EVA Airways Corporation – L99-0323;
22 Korean Airlines Company Limited – L99-325; Lineas Aereas Costarricenses, S.A., dba,
23 LACSA Airlines – L99-0327; Deutsche Lufthansa, AG, dba Lufthansa German Airlines –
24 L99-0328; and Virgin Atlantic Airways Limited Company – L99-0331, (collectively, the “Lease
25 and Operating Airlines”) and (collectively, the “Lease and Operating Agreements”); and

1 WHEREAS, the Airport Commission of the City and County of San Francisco (the
2 "City"), the Lease and Use Airlines, with the exception of Northwest Airlines, and the Lease
3 and Operating Airlines (collectively, the "Airlines") have negotiated a new Lease and Use
4 Agreement to take effect July 1, 2011 (the "Lease") for a term of ten (10) years; and

5 WHEREAS, Conditioned upon execution of the Lease, the City and Airlines now desire
6 to amend the terms of the Lease and Use Agreements and the Lease and Operating
7 Agreements (collectively, the Agreements") to reflect a reduction of rental of terminal space
8 for Fiscal Year 2010/2011 (collectively, the "Modifications"), the last year of said Agreements,
9 as described on Attachment A hereto; and

10 WHEREAS, The City also desires to authorize the Airport Director to enter into non-
11 material modifications to the Agreements, including changes to the demised premises of not-
12 to-exceed ten percent (10%) of the leased square footage, that the City, in consultation with
13 the City Attorney, determines are in the best interests of the Commission and necessary to
14 effectuate the purposes of the Agreements and are in compliance with all applicable laws,
15 including the City's Charter; and

16 WHEREAS, The Commission approved the following Modifications to the respective
17 Lease and Use Agreements on March 16, 2010, by adoption of the Resolutions as follows:
18 American Airlines, Inc. – L82-0111, Modification No. 10 by Resolution No. 10-0100; China
19 Airlines Limited – L82-0315, Modification No. 3 by Resolution No. 10-0101; Delta Air Lines,
20 Inc. – L82-0115, Modification No 7 by Resolution No. 10-0102; Japan Airlines International
21 Company Limited – L82-0117, Modification No. 3 by Resolution No. 10-0103; Compania
22 Mexicana de Aviacion S.A. de C. V. dba Mexicana Airlines – L83-0045, Modification No. 5 by
23 Resolution No. 10-0104; Philippine Airlines, Inc. – L82-0317, Modification No. 5 by Resolution
24 No. 10-0106; Singapore Airlines Limited – L82-0124, Modification No. 3 by Resolution No. 10-
25

1 0107; and United Air Lines, Inc. – L82-0126, Modification No. 17 by Resolution No. 10-0108;
2 and

3 WHEREAS, The Commission approved the following Modifications to the respective
4 Lease and Operating Agreements on March 16, 2010, by adoption of the Resolutions as
5 follows: Air China Limited – L99-0315, Modification No. 1 by Resolution No. 10-0109; Air
6 France – L99-0316, Modification No. 1 by Resolution No. 10-0110; All Nippon Airways
7 Corporation Limited – L99-0319, Modification No. 1 by Resolution No. 10-0111; Asiana
8 Airlines – L99-0318, Modification No. 1 by Resolution No. 10-0112; British Airways, PLC –
9 L99-0320, Modification No. 1 by Resolution No. 10-0113; Cathay Pacific Airways Limited –
10 L99-0321, Modification No. 2 by Resolution No. 10-0114; EVA Airways Corporation – L99-
11 0323, Modification No. 1 by Resolution No. 10-0115; Korean Airlines Company Limited – L99-
12 325, Modification No. 1 by Resolution No. 10-0116; and Lineas Aereas Costarricenses, S.A.,
13 dba, LACSA Airlines – L99-0327, Modification No. 1 by Resolution No. 10-0117; Deutsche
14 Lufthansa, AG, dba Lufthansa German Airlines – L99-0328, Modification No. 1 by Resolution
15 No. 10-0118; Virgin Atlantic Airways Limited Company – L99-0331, Modification No. 1 by
16 Resolution No. 10-0119; and

17 WHEREAS, Northwest Airlines (“Northwest”) has been acquired by Delta Air Lines, Inc.
18 (“Delta”) which resulted in the integration of Northwest into Delta, as approved by the Federal
19 Aviation Administration on December 31, 2009; and

20 WHEREAS, Northwest and City now desire to execute Modification No. 9 to
21 Northwest’s Lease and Use Agreement L-82-0119 to provide for the early termination of the
22 Lease effective June 30, 2010; and

23 WHEREAS, Said Modification to Northwest’s Lease and Use Agreement is deemed to
24 be in the Commission’s best interest and does not materially increase the obligations or
25 liabilities of the Commission; and

1 WHEREAS, The Commission adopted Resolution Number 10-0105 on March 16,
2 2010, approving Modification No. 9 to provide for the early termination of the Northwest Lease
3 and Use Agreement; now, therefore be it

4 RESOLVED, That this Board of Supervisors approves Modifications to the Lease and
5 Use Agreements with American Airlines, Inc. – L82-0111, Modification No. 10 by Resolution
6 No. 10-0100; China Airlines Limited – L82-0315, Modification No. 3 by Resolution No. 10-
7 0101; Delta Air Lines, Inc. – L82-0115, Modification No 7 by Resolution No. 10-0102; Japan
8 Airlines International Company Limited – L82-0117, Modification No. 3 by Resolution No.10-
9 0103; Compania Mexicana de Aviacion S.A. de C. V. dba Mexicana Airlines – L83-0045,
10 Modification No. 5 by Resolution No.10-0104; Northwest Airlines, Inc. – L82-0119,
11 Modification No. 9 by Resolution No. 10-0105; Philippine Airlines, Inc. – L82-0317,
12 Modification No. 5; by Resolution No. 10-0106; Singapore Airlines Limited – L82-0124,
13 Modification No. 3 by Resolution No. 10-0107; and United Air Lines, Inc. – L82-0126,
14 Modification No. 17 by Resolution No. 10-0108, subject to Human Rights Commission's
15 determination that said Airlines are in compliance with or exempt from the requirements of
16 Chapter 12B of the City's Administrative Code; and, be it further

17 RESOLVED, That this Board of Supervisors approves Modifications to the Lease and
18 Operating Agreements with Air China Limited – L99-0315, Modification No. 1 by Resolution
19 No. 10-0109; Air France – L99-0316, Modification No. 1 by Resolution No. 10-0110; All
20 Nippon Airways Corporation Limited – L99-0319, Modification No. 1 by Resolution No. 10-
21 0111; Asiana Airlines –L99-0318, Modification No. 1 by Resolution No. 10-0112; British
22 Airways, PLC – L99-0320, Modification No. 1 by Resolution No. 10-0113; Cathay Pacific
23 Airways Limited – L99-0321, Modification No. 2 by Resolution No. 10-0114; EVA Airways
24 Corporation – L99-0323, Modification No. 1 by Resolution No. 10-0115; Korean Airlines
25 Company Limited – L99-325, Modification No. 1 by Resolution No. 10-0116; and Lineas

1 Aereas Costarricenses, S.A., dba, LACSA Airlines – L99-0327, Modification No. 1 by
2 Resolution No. 10-0117; Deutsche Lufthansa, AG, dba Lufthansa German Airlines –
3 L99-0328, Modification No. 1 by Resolution No. 10-0118; Virgin Atlantic Airways Limited
4 Company – L99-0331, Modification No. 1 by Resolution No. 10-0119, subject to Human
5 Rights Commission’s determination that said Airlines are in compliance with or exempt from
6 the requirements of Chapter 12B of the City’s Administrative Code; and, be it further

7 RESOLVED, That this Board of Supervisors approves Modification No. 9 to Lease and
8 Use Agreement L82-0119 with Northwest Airlines to provide for early termination effective
9 June 30, 2010; and, be it further

10 RESOLVED, That this Board of Supervisors authorizes the Airport Director to enter into
11 non-material modifications to the Agreements, including changes to the demised premises of
12 not-to-exceed ten percent (10%) of the leased square footage, that the Commission, in
13 consultation with the City Attorney, determines are in the best interests of the Commission
14 and necessary to effectuate the purposes of the Agreements and are in compliance with all
15 applicable laws, including the City’s Charter.

Items 1 and 2 Files 10-0351 and 10-0352	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • <u>File 10-0351</u>: Resolution approving 25 separate new leases for a ten-year period from July 1, 2011 through June 30, 2021, between the San Francisco International Airport and 25 different airlines, including (a) 19 airlines which have current leases which will expire on June 30, 2011, and (b) 6 airlines which currently do not have leases with the Airport. Such leases will allow the airlines to continue to conduct domestic and international flight operations at the Airport. • <u>File 10-0352</u>: Resolution approving (a) modifications to 19 of the 24 existing leases which will expire on June 30, 2011, between the San Francisco International Airport and 19 different airlines to conduct domestic and international flight operations at the Airport, and (b) the termination of one of the 24 existing leases effective June 30, 2010. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • There are currently 24 airlines which have existing leases with the Airport for domestic and international flight operations. Such leases will expire on June 30, 2011. All 24 airlines pay rent based on the same rental rates, landing fees, and related fees, all of which are established by the Airport each fiscal year. The total amount paid by each airline differs only due to the (a) square footage of the area occupied, (b) type of space occupied, (c) maximum landing weight of each aircraft landed, and (d) number of passengers. As such, no airline has preferable lease terms to any other airline. • The rate and fee schedule, which is used to calculate the total rent paid by each airline, is determined by the Airport's "residual rate setting methodology." Under such methodology, the rental rates, landing fees, and related fees are automatically adjusted annually such that the total amount of airline rent revenues received by the Airport is equal to the amount that all of the Airport's costs, including debt service and operating costs, exceed all of the non-airline revenues received by the Airport including concession and parking revenues. The Airport's "residual rate setting methodology" places the financial risk of budgetary shortfalls on the airlines instead of the Airport, because any shortfalls in the Airport's annual budget result in automatic rent increases to the airlines, which are sufficient to eliminate any Airport budgetary shortfalls. • Under the proposed new leases with the Airport, the Airport would continue to (a) use the "residual rate setting methodology" for determining the rental rates, landing fees, and related fees charged to the Airlines, and (b) require that annual airline rent be sufficient to guarantee that the Airport's Annual Service Payment, consisting of 15 percent of concession revenues, to the City's General Fund will not be less than \$5,000,000 per year. • There are seven significant differences between the terms of the 24 existing and proposed 25 new leases which would impact lessee airlines. The new leases, when compared to the 	

existing leases, would (1) require airlines to submit all required landing fee payments 30 days earlier than they are due under the existing leases, (2) increase space-sharing among airlines to allow the Airport to maximize the use of existing space, (3) reduce security deposits required for 10 airlines, (4) allow the airlines to request a one-time space reduction, effective on July 1, 2016, (5) consider the new lease for terminal space in default if an airline defaults on any other lease for non-terminal Airport space (such as hangars and cargo space), (6) increase the insurance requirements for all airlines, and (7) increase environmental protections.

Fiscal Impacts

- Under the terms of the proposed 25 new leases (File 10-0351), the Airport anticipates receiving \$3,966,261,214 from 25 airlines in rent¹ over the ten-year term.
- The proposed modifications to 19 existing leases and the termination of one lease (File 10-0352) will not result in reduced revenues to the Airport, because of the “residual rate setting method” used to calculate rent, even though the 19 modifications would reduce the amount of overall space leased to the airlines.

Recommendations

- At the request of the Airport, amend the proposed resolutions to state that the proposed new leases and lease modifications are on file with the Clerk of the Board of Supervisors.
- Approve the proposed resolutions, as amended.

MANDATE STATEMENT & BACKGROUND

Mandate Statement

According to Section 2A.173 of the City’s Administrative Code, the Airport is authorized to negotiate and execute leases of airport lands and space in airport buildings without undergoing a competitive bid process, as long as the original term of the lease does not exceed 50 years. The proposed 25 new leases with 25 airlines would be awarded through direct negotiation instead of a competitive process.

City Charter Section 9.118(a) requires that any contract which would result in revenues to the City in excess of \$1,000,000 be approved by the Board of Supervisors.

Residual Rate Setting Methodology

Under both the existing and proposed leases, the Airport uses a “residual rate setting methodology” to determine the rental rates, landing fees, and related fees used to calculate the

¹ For the purposes of this report, the term “rent” refers to the total amount of revenues paid by an airline to the Airport under the existing and proposed leases, including rent for terminal space rental rates, landing fees, and related fees.

total rent to be paid by each airline for use of Airport terminal space². The rental rates, landing fees, and related fees include (a) the cost per square foot charged to an airline for that airline's exclusive use of Airport space, (b) fees for use of space which is shared by multiple airlines³, and (c) various non-space related fees, such as landing fees and aircraft parking fees. Those rental rates, landing fees, and related fees are then used to calculate the total rent payable by each airline to the Airport, such that, while the total rent payable by each airline may differ due to (a) the amount of space leased, (b) the type of space leased, and (c) passenger and aircraft traffic, no airline has preferable lease terms over another airline.

The "residual rate setting methodology" is a formula which sets the schedule of all rental rates, landing fees, and related fees to a level which ensures that Airport revenues received from the airlines, plus the non-airline revenues received by the Airport, is equal to the Airport's total costs, including debt service and operating expenditures. According to that methodology, prior to the beginning of each fiscal year, the Airport first determines the total airline rent revenues needed to balance the Airport's budget in the upcoming year, after considering all other non-airline revenue sources (such as concession revenues and parking revenues) and carrying forward any projected budget shortfall or surplus from the current fiscal year. The amount needed to balance the Airport's budget then becomes the basis for calculating, by a formula specified in the lease, the rental rates, landing fees, and related fees charged to airlines in the upcoming year, such that the total revenues paid to the Airport by all airlines in the upcoming year is sufficient to balance the Airport's budget. At the end of the fiscal year, any budget shortfall or surplus is carried forward into the following fiscal year and is used in the calculation of the new rental rates, landing fees, and related fees charged to the airlines.

Existing Leases

There are currently 24 airlines operating at the Airport under 24 existing leases including (a) five airlines operating under leases executed in 1981, (b) eight airlines operating under leases executed in 1981 and then amended in 2000 due to the opening of the new International Terminal, and (c) 11 airlines operating under leases executed in 1999. Attachment I, compiled by the Budget and Legislative Analyst based on data provided by the Airport, shows each of the 24 airlines that have an existing lease with the Airport.

According to Mr. Gary Franzella, Associate Deputy Airport Director, the major terms of these 24 leases are generally similar⁴ to one another and only differ in (a) their dates of execution, and (b)

² According to the terms of the existing and proposed leases, there are five different types of Airport terminal space, including (1) ticket counters and departure gate waiting areas in the mezzanine and concourse levels, (2) offices, lounges, and curbside check-in counters on the mezzanine and concourse levels, (3) other offices on the ground floor, (4) baggage handling areas and equipment rooms, and (5) unenclosed outdoor areas.

³ Under the terms of the existing leases, for specified portions of Airport space, the Airport offers shared space including (a) "joint-use" space which is leased by multiple airlines, with 20% of the total rent for such shared space divided equally among the airlines and 80% of the total rent allocated according to passenger traffic, and (b) "common use" space which is not leased to any specific airline, but rather charged on a per use basis as needed by any airline.

⁴ The existing leases differ in (a) the amounts of their required security deposit, as discussed in the paragraph below titled "3. Security Deposit Requirement to Be Reduced" and (b) requirements for the treatment of hazardous materials, as discussed in the paragraph titled "7. Environmental Protections to Increase."

the amount and type (exclusive-use or shared-use) of space allocated to each airline. All existing leases expire on June 30, 2011, and the rental rates charged by the Airport to the airlines are subject to the calculation of the rental rates, landing fees, and related fees according to the "residual rate setting methodology" described above.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution (File 10-0351) would approve 25 separate new leases for a ten-year period between July 1, 2011 and June 30, 2021, between the San Francisco International Airport and 25 different airlines to conduct domestic and international flight operations at the Airport (File 10-0351), including (a) 19 airlines which have existing leases with the Airport, and (b) 6 new airlines which currently do not have leases with the Airport.

The proposed resolution (File 10-0352) would approve (a) modifications to 19 of the 24 existing leases which will expire on June 30, 2011, between the San Francisco International Airport and 19 different airlines to conduct domestic and international flight operations at the Airport, and (b) the termination of one of the 24 existing leases with Northwest Airlines since it was acquired by Delta Air Lines, effective June 30, 2010. Modification of the 19 existing leases will be effective from July 1, 2010 to June 30, 2011, at which time the leases will expire. The 19 airlines requesting modifications to their existing leases are included in the 25 proposed new leases which will be effective on July 1, 2011. These 19 modifications would provide for a net reduction in the overall amount of space leased to the 19 airlines.

The Attachment, compiled by the Budget and Legislative Analyst from data provided by the Airport, identifies the specific airlines which have existing leases with the Airport and those airlines which would be entering into new leases, under these two proposed resolutions.

New Airport Leases

The proposed 25 new leases would provide the terms under which airlines use terminal space at the Airport. The terms of each of the proposed 25 new leases are all for a 10-year period, with each airline paying the Airport revenues based on the rental rates, landing fees, and related fees calculated under the same "residual rate setting methodology" included in the existing leases. The only difference between the individual new leases would be (a) the name of each airline, and (b) the amount of space allocated to each airline. Because these leases function identically, they are discussed in combination as the "new leases", rather than in 25 separate descriptions.

In addition to continuing the "residual rate setting methodology", the proposed new leases would also continue to require that the rental rates, landing fees, and related fees be sufficient to guarantee that the Airport's Annual Service Payment to the City's General Fund will not be less than \$5,000,000. The Annual Service Payment made by the Airport to the City is equal to the greater of (a) 15 percent of concession revenues⁵, or (b) \$5,000,000. In the event that 15 percent of concession revenues is less than \$5,000,000, the Airport pays the City \$5,000,000, and the Airport recaptures the difference between \$5,000,000 and 15 percent of concession

⁵ Concession revenues are defined in the lease as those revenues paid to the Airport by non-airline entities such as newsstands, restaurants, bars, advertisers, and ground transportation operators.

revenues the following fiscal year through increased rental rates, landing fees, and related fees as calculated by the “residual rate setting methodology”. Notably, the Airport’s 15 percent of concession revenue has exceeded \$5,000,000 every year since 1982. In FY 2009-2010, the Annual Service Payment to the City’s General Fund was budgeted at \$26,226,000.

There are seven material differences between the 24 existing leases and the proposed 25 new leases which would impact Airline lessees as follows:

1. Landing Fees To Be Paid 30 Days Earlier

Under the terms of the proposed leases, airlines are required to submit all required landing fees to the Airport 30 days earlier than they are due under the terms of the existing leases. According to Mr. Franzella, this new provision benefits the Airport by reducing the amount of outstanding landing fees at any given time, thus reducing the Airport’s risk of financial loss in the event an airline files for bankruptcy.

2. More Airport Space to Be Shared By Multiple Airlines and Less Exclusive Space

As discussed above, the Airport currently offers airlines both exclusive use and shared-use space to airlines. According to Mr. Franzella, in order to increase the flexibility and efficient utilization of existing Airport space, the proposed leases would increase⁶ the total square footage of shared-use space by 242,764 square feet, or 36.7 percent, as shown in Table 1 below. Conversely, as shown in Table 1 below, the proposed new leases would reduce the amount of exclusive-use space by 327,536 or 35.3 percent. Overall, the total amount of leased space would decrease by 84,772 or 5.3 percent because, according to Mr. Franzella, the signatory airlines’ overall need for terminal space has slightly reduced. Mr. Franzella advises that this reduction of 84,772 square feet of space that the airlines no longer require will become available for “non-signatory” airline use (see page 7 of this report for a discussion of “non-signatory” airlines) and will not change the fact that the total revenues received from the airlines must be sufficient to balance the Airport’s budget after considering the Airport’s non-airline revenues.

Table 1: Amount of Total Shared-Use Space

	Total Square Feet Under Existing Leases	Total Square Feet Under Proposed Leases	Increase or (Decrease)	Percent Change
Exclusive-Use Space	927,167	599,631	(327,536)	-35.3%
Shared-Use Space	661,747	904,511	242,764	36.7%
Total Leased Space	1,588,914	1,504,142	(84,772)	-5.3%

⁶ The new lease would increase shared-use space by (a) discontinuing the practice of leasing departure gates to airlines on an exclusive-use basis, thereby increasing the joint-use and common-use space described in Footnote 3 above, and (b) creating a new shared-use category called “preferential-use”, with such space being leased to a single airline for use during scheduled operating hours. The new “preferential-use” space would create additional flexibility for the Airport because (a) the Airport can allow another airline to use the space when the signatory airline is not operating in the space, and (b) the Airport can re-allocate the amount of “preferential-use” space annually based on passenger traffic.

3. Security Deposit Requirement to Be Decreased

Under the 24 existing leases, the 13 airlines under leases which were executed in 1981, including the 5 leases which have not been amended and the 8 which were amended, are required to provide the Airport with a security deposit equal to two months of total monthly rent, and the 11 airlines with leases executed in 1999 are required to provide the Airport with a security deposit equal to six months of total monthly rent. The proposed new leases would require all airlines to submit security deposits equal to two months of rent. This represents a reduction in the required security deposit amount of four months of rent when compared to the 1999 lease requirements. Of the 11 airlines with leases executed in 1999, 10 airlines would enter into the proposed new leases effective July 1, 2011 (File 10-0351), such that those 10 airlines would benefit from reduced security deposit requirements.

According to Mr. Franzella, the security deposits are intended to reimburse the Airport for losses which might occur in the event of an airline being unable to pay rent or otherwise causing financial harm to the Airport. Mr. Franzella noted that a reduction in the security deposit amount does not increase the overall risk of financial loss to the Airport because, under the "residual rate setting methodology", any budgetary shortfalls resulting from an airline's inability to pay rent would result in increases to the rental rates, landing fees, and related fees sufficient to offset such shortfalls.

4. Airlines to Have a One-Time Option to Reduce Exclusive-Use Space

Under the existing leases, airlines cannot reduce the amount of exclusive-use space in their lease. According to Mr. Franzella, this has resulted in underutilized space which was leased by airlines which have since reduced their flight operations and therefore their need for space at the Airport. The proposed leases would allow airlines to reduce the amount of leased exclusive-use space only one time, by up to 20 percent, on July 1, 2016.

5. Airport to Have Additional Protections In The Event Of an Airline Lease Default

In addition to leases for airline use of terminal space, most airlines have separate leases for space on Airport land that is outside the terminal, such as hangar space, flight kitchens, and cargo buildings. Under the 13 existing leases which were executed in 1981 (including five leases in their original form and eight leases which were later amended) for terminal space, any default by an airline on its lease for non-terminal space has no effect on the lease for terminal space. Under the proposed leases for terminal space, if an airline defaults under any of its other leases for non-terminal space with the Airport, it would trigger default of the proposed lease for terminal space between that airline and the Airport. According to Mr. Franzella, this provides additional leverage to the Airport over airlines to enforce the terms of their other leases, and prevents an airline in bankruptcy from selectively keeping only those leases that the airline wishes to maintain.

6. Airline Insurance Requirements to Increase

Under the terms of the existing leases, airlines are required to have \$25,000,000 in general liability insurance. Under the terms of the proposed leases, airlines are required to maintain higher amounts and more specific types of insurance, including the following:

- (a) \$500,000,000 in aircraft liability insurance which provides coverage to both the airline and the Airport in the event of injury or property damage which results from airline activity, excluding injury or damage which occurs during acts of war,
- (b) \$100,000,000 in war and named perils insurance, which provides coverage for injury or property damage from airline activity which occur during war and other related events (or "named perils") and excluded from aircraft liability insurance discussed above,
- (c) \$2,000,000 in worker's compensation and employer's liability insurance, which is required by the State of California, with such insurance providing coverage to the airline for injuries sustained by employees,
- (d) \$2,000,000 in commercial auto insurance, which is also required by the State of California, with such insurance providing liability coverage for injuries and damage which occur resulting from the operation of vehicles at the Airport; and
- (e) property insurance in the amount of any improvements constructed by the airlines, which insures the airline against property damage which occurs from fire, flood, or other similar causes, except earthquakes.

According to Mr. Franzella, although these new insurance requirements are not directly comparable to the insurance requirements under the existing leases, the new requirements (a) better address the specific risks of concern to the Airport, and (b) reflect changes in the insurance industry which have occurred since the existing leases were written in 1981 and 1999. Mr. Franzella added that any damages which might occur which are not covered by the required insurances would result in higher rental rates, landing fees, and related fees charged to the airlines under the "residual rate setting methodology".

7. Environmental Protections to Increase

Under the 24 existing leases, the 13 leases which were executed in 1981 do not address the handling of hazardous materials, and the 11 leases executed in 1999 had limited restrictions on airline's handling of hazardous materials. The proposed 25 new leases would provide for a number of increased environmental protections, including (a) expanding the definition of "environmental law" to include decisional law, also referred to as case law, (b) requiring airlines to investigate and remediate any release of hazardous materials, (c) providing the Airport access to any premises for environmental inspections, and (d) clarifying that the airlines are fully responsible and liable for all costs attributable to hazardous materials resulting from airline activities.

In addition to the seven differences discussed above which would impact the airlines with leases with the Airport, the proposed new leases would impact the 18 "non-signatory" airlines which currently operate at the Airport without a lease by requiring that "non-signatory" airlines pay a 25 percent premium on landing fees compared to lessee airlines. According to Mr. Franzella, a "non-signatory" airline is an airline which operates at the Airport under Airline Operating Permits and Terminal Space and Use Permits on a month-to-month basis and, currently, pays the same rental rates, landing fees, and related fees as airlines with leases, as calculated by the

“residual rate setting methodology”. Mr. Franzella noted that these “non-signatory” airlines are not required to enter into leases with the Airport because, pursuant to federal law, the Airport cannot prohibit airlines from operating at the Airport. Mr. Franzella stated that non-signatory airlines generally have not entered into leases because, despite being offered leases by the Airport, there is currently little financial incentive to enter into a lease. However, signatory airlines are included in the Airport’s capital project approval process while non-signatory airlines are not. Under the terms of the proposed new leases, “non-signatory” airlines are required to pay a 25 percent premium on landing fees above the landing fees paid by the 25 airlines who will be under lease with the Airport, such that there would be a financial incentive for “non-signatory” airlines to enter into a lease with the Airport. The Budget and Legislative Analyst notes that the operation of “non-signatory” airlines at the Airport does not have an adverse fiscal impact to the Airport because of the “residual rate setting methodology” described above.

Modifications to Existing Leases

The proposed resolution (File 10-0352) would also approve (a) modifications to 19 of the 24 existing leases which will expire on June 30, 2011, between the San Francisco International Airport and 19 different airlines to conduct domestic and international flight operations at the Airport, and (b) the termination of one of the 24 existing leases effective June 30, 2010. As discussed above in “4. Airlines to Have a One-Time Option to Reduce Exclusive-Use Space”, the existing leases do not allow for reductions in the amount of exclusive-use space leased by airlines. The proposed modifications were offered to the existing airlines under lease as an incentive to enter into the proposed new leases, while the termination of one lease reflects the acquisition of one lessee, Northwest Airlines, by another lessee, Delta Air Lines. These 19 modifications and one termination would provide for a net reduction in the overall amount of space leased to the airlines of 160,080 square feet, from 868,255 to 708,175 square feet.

Such reductions in exclusive-use space will not result in reduced revenues to the Airport because the rental rates and fees to be paid by the airlines will be increased automatically under the Airport’s “residual rate setting methodology”.

FISCAL IMPACTS

As shown in Table 2 below, the proposed 25 new lease agreements are estimated by the Airport to provide \$3,966,261,214 in total revenues to the Airport, over the ten year lease term from July 1, 2011 through June 30, 2021.

Table 2: Estimated Total Annual Rental Revenues

Fiscal Year	Estimated Total Rent Paid Under The 25 Proposed 2011 Leases
2011-2012	\$276,938,935
2012-2013	316,478,774
2013-2014	353,359,933
2014-2015	379,593,819
2015-2016	404,418,249
2016-2017	418,227,506
2017-2018	431,752,686
2018-2019	446,946,429
2019-2020	462,447,660
2020-2021	476,097,223
Total	\$3,966,261,214

As discussed above, the revenues generated by both the existing leases which are being modified and the proposed new leases are calculated by the “residual rate setting methodology”, such that the proposed new leases and modifications to the existing leases would continue to result in the Airport’s budget being fully balanced by the revenues paid by the airlines to the Airport, after considering the Airport’s budgeted expenditures and all non-airline revenues.

RECOMMENDATIONS

1. In accordance with a request by the Airport, and in order to ensure that the proposed resolutions conform to the usual form of lease approval resolutions, the Budget and Legislative Analyst recommends amending (a) File 10-0351, on page 2, line 10, to insert the paragraph “WHEREAS, A copy of the form of the 2011 Lease and Use Agreement is on file with the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to be a part of this resolution as if set forth fully herein; and”, and (b) File 10-0352, on page 4, line 1, to insert the paragraph “WHEREAS, A copy of the Modifications are on file with the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to be a part of this resolution as if set forth fully herein; and”.
2. Approve the proposed resolutions, as amended.

Airlines With Existing Leases

Airline	1981 Lease	1981 Lease Amended	1999 Lease	Total Existing Leases	Requesting Modification to or Termination of Existing Lease
Air Canada	X			X	
Air China			X	X	X
Air France			X	X	X
Alaska Airlines		X		X	
All Nippon Airways			X	X	X
American Airlines	X			X	X
Asiana Airlines			X	X	X
British Airways			X	X	X
Cathay Pacific			X	X	X
China Airlines		X		X	X
Continental Airlines	X			X	
Delta Air Lines	X			X	X
EVA Airways			X	X	X
Federal Express Corp.	X			X	
Japan Airlines		X		X	X
Korean Air Lines			X	X	X
LACSA			X	X	X
Lufthansa German Airlines			X	X	X
Mexicana Airlines		X		X	X
Northwest Airlines		X		X	X*
Philippine Airlines		X		X	X
Singapore Airlines		X		X	X
United Airlines		X		X	X
Virgin Atlantic			X	X	X
Total	5	8	11	24	20

*Northwest is requesting termination of its existing lease because it was acquired by Delta Airlines.

Airlines Under the Proposed New 2011 Lease

Airline	Existing Lease	New Lessee Without Existing Lease	All Lessees Under 2011 Lease
Air China	X		X
Air France	X		X
All Nippon Airways	X		X
American Airlines	X		X
Asiana Airlines	X		X
British Airways	X		X
Cathay Pacific	X		X
China Airlines	X		X
Delta Air Lines	X		X
Emirates		X	X
EVA Airways	X		X
Federal Express Corp.	X		X
Frontier Airlines		X	X
Japan Airlines	X		X
KLM Royal Dutch Airlines		X	X
Korean Air Lines	X		X
Lufthansa German Airlines	X		X
Mexicana Airlines	X		X
Philippine Airlines	X		X
Singapore Airlines	X		X
Southwest Airlines		X	X
TACA		X	X
United Airlines	X		X
Virgin America	X		X
Virgin Atlantic		X	X
Total	19	6	25

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held: San Francisco; San Francisco

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Virgin America Inc.	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. (1) Don Carty, Jonathan Peachey; Robert Nickell; Cyrus Freidheim; David Cush; John Rapaport; Samuel Skinner; Stephen Freidheim; David Baxby (2) David Cush (3) VAI Partners LLC; Carola Holdings Limited	
Contractor address: 555 Airport Blvd, Burlingame, CA 94010	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Leonard Sloper	Contact telephone number: (650) 762-7234
Address: 555 Airport Blvd, Burlingame, CA 94010	E-mail: Len.Sloper@virginamerica.com

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Virgin Atlantic Airways Limited Company	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. (1) See Attached (2) CEO - Stephen Ridgway, CFO - Julie Southern, COO - Steve Griffiths (3) 51% - The Virgin Group, 49% - Singapore Airlines (4) N/A (5) N/A	
Contractor address: 75 North Water Street South Norwalk, CT 06854	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
 (S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): <div style="text-align: right;">, SF Board of Supervisors</div>	City elective office(s) held:

Contractor Information (Please print clearly.)	
Name of contractor: <div style="text-align: center;">Southwest Airlines Co.</div>	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
(1) Board Members: David W. Biegler; Douglas H. Brooks; C. Webb Crockett; William H. Cunningham, PhD; John G. Denison; Travis C. Johnson; Gary C. Kelly; Nancy B. Loeffler; John T. Montford; Daniel D. Villanueva (2) Gary C. Kelly, CEO; Laura Wright, CFO; Michael Van de Ven, COO (3) NA	
Contractor address:	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form (Mayor, Gavin Newsom)

a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: 0
Address:	E-mail:

 Signature of City Elective Officer (if submitted by City elective officer)

 Date Signed

 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

 Date Signed

File No.

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held: isco;

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: TACA International Airlines, S.A.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
(1) Board Members: Chairman: Roberto José Avila Kriete; Secretary: Joaquín Alberto Palomo Deneke; Director: Ricardo Harold Kriete Avila; Director: Fernando Poma Kriete. (2) Chief Executive Officer: Roberto José Avila Kriete; Chief Financial Officer: Joaquín A. Palomo Deneke; Chief Operating Officer: Estuardo Ortiz. (3) (i) FORBINA, S.A.; (ii) TACA, S.A.	
Contractor address: Edificio TACA, Boulevard Sur, Santa Elena, Antiguo Cuscatlán, La Libertad, El Salvador, Central América.	
Date that contract was approved: February 26 th , 2010	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments: -----	

This contract was approved by (check applicable):

 the City elective officer(s) identified on this form (Mayor, Gavin Newsom) a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:
Contractor Information (Please print clearly.)	
Name of contractor: PHILIPPINE AIRLINES	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. Board Members: to be given later 2) Lucio Tan CEO – Jose Gabriel Olives – CFO – Jaime B. Bautista – COO 3) Lucio Tan – sole owner 4) N/A 5) N/A	
Contractor address: PO Box 251960 - SFIA - San Francisco, CA94125	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): , SF Board of Supervisors	City elective office(s) held:

Contractor Information (Please print clearly.)

Name of contractor: Singapore Airlines Limited
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>
Board Members:
Board of Directors
<i>Chairman</i> Stephen Lee Ching Yen
<i>Chief Executive Officer</i> Chew Choon Seng
<i>Members</i> Dr William Fung Kwok Lun Euleen Goh Yiu Kiang David Michael Gonski James Koh Cher Siang Christina Ong Dr Helmut Gunter Wilhelm Panke Lucien Wong Yuen Kuai

Contractor address: Registered Office Airline House 25 Airline Road Singapore 819829

Date that contract was approved:	Amount of contract: TBD each FY
----------------------------------	------------------------------------

Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement
Comments:

- This contract was approved by (check applicable):
- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
 - a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
 - the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Compania Mexicana de Aviacion S.A. de C.V. dba, Mexicana Airlines	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer;</i> Board Members: Manuel Borja, Ricardo Baston, Isaac Volin, Javier Christlieb, Gerardo Barrera y Fernando Loera; 2) CEO: Manuel Borja; CFO: Gerardo Barrera y COO Félix Sánchez. <i>(3) any person who has an ownership of 20 percent or more in the contractor; NO</i> <i>(4) any subcontractor listed in the bid or contract; NO</i> <i>(5) any political committee sponsored or controlled by the contractor. NO.</i>	
Contractor address: Ave. Xola # 535, Col. Del Valle, C.P. 03100 México, D.F. México	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
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 (S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Korean Air Lines Co., LTD.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: Chief Executive Officer: Mr. Woo, Kee Hong Secretary : Mr. Park, Kyung Ho Chief Financial Officer : Mr. Lee, Sung Hwan	
Contractor address: P. O. Box 251700 San Francisco Int'l Airport, San Francisco, Ca 94125-0700	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

 Signature of City Elective Officer (if submitted by City elective officer) _____
 Date Signed

 Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) _____
 Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information *(Please print clearly.)*

Name of City elective officer(s):

SF Board of Supervisors

City elective office(s) held:

;

Contractor Information *(Please print clearly.)*

Name of contractor:

Deutsche Lufthansa AG dba Lufthansa German Airlines

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

1 & 2: Board Members and Directors/Officers

Wolfgang Mayrhuber
Chief Executive Director
Von-Gablenz-Strasse 2-6
D-50679 Cologne, Germany

Christoph Franz
Deputy Chief Executive Director
Von-Gablenz-Strasse 2-6
D-50679 Cologne, Germany

Stephan Gemkow
Chief Financial Director
Von-Gablenz-Strasse 2-6
D-50679 Cologne, Germany

Stefan Lauer
Director of Aviation Services and Human Resources
Von-Gablenz-Strasse 2-6
D-50679 Cologne, Germany

3, 4 and 5: Not applicable

Contractor address:

Lufthansa German Airlines, 1640 Hempstead Turnpike, East Meadow, NY 11554

Date that contract was approved:

Amount of contract:

TBD each FY

Describe the nature of the contract that was approved:

2011 Airport/Airline Lease and Use Agreement

Comments:

This contract was approved by (check applicable):

 the City elective officer(s) identified on this form (Mayor, Gavin Newsom)

 a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

File No. ___

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information (Please print clearly.)	
Name of contractor: <u>KLM Royal Dutch Airlines</u>	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: <u>SEE ATTACHED</u>	
Contractor address: <u>P.O. BOX 7700 117 ZL SCHIPOL THE NETHERLANDS // P.O. BOX 251902 SFO INT'L AIRPORT</u>	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: <u>2011 Airport/Airline Lease and Use Agreement</u>	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: <u>0</u>
Address:	E-mail:
Signature of filer:	Date:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Japan Airlines International Company, Ltd.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: (1) Chairman, Kazuo Inamori, President Masaru Onishi (JAL Group COO), Executive Vice President Hisao Taguchi, Executive Officer-Accounting Norikazu Saito, Senior Vice President-The America Hiroyuki Hioka. (Please refer to attached list for full list of Executive Officers)	
Contractor address: 2-4-11, Higashi-Shinagawa, Shinagawa-ku, Tokyo 140-8605, JAPAN	
Date that contract was approved: TBD	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

File No.

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information (Please print clearly.)	
Name of contractor: <i>Frontier Airlines, Inc</i>	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Board Members: <i>See attached list</i>	
Contractor address: <i>7001 Tower Rd. Denver, Co. 80249</i>	
Date that contract was approved: <i>Pending</i>	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed



WHO WE ARE INVESTOR RELATIONS PRESS ROOM DESTINATIONS EMPLOYMENT

- SETTING A COURSE
- AIRCRAFT
- LEADERSHIP
- SUBSIDIARIES
- CHARTERS
- AWARDS AND KUDOS
- VIDEO

LEADERSHIP

The Republic Airways senior leadership team has extensive experience growing airlines while delivering a high-quality and low-cost product. They have successfully developed the company into one of the country's largest regional jet fixed-fee operators, maintaining multiple code-sharing partnerships, including American Airlines, Continental Airlines, Delta Air Lines, United Airlines and US Airways. In addition, the company owns Frontier Airlines and Midwest Airlines, which it operates under its branded portfolio.

- Bryan Bedford** - Chairman, President & Chief Executive Officer
- Hal Cooper** - Executive Vice President, Chief Financial Officer
- Wayne Heller** - Executive Vice President, Chief Operating Officer
- Sean Menke** - Executive Vice President, Chief Marketing Officer
- Lars-Eric Arnell** - Vice President of Corporate Development
- Joe Allman** - Vice President, Controller
- Greg Aretakis** - Vice President, Revenue Production
- Tim Dooley** - Vice President, Financial Planning and Analysis
- Jeff Domrese** - Vice President, Maintenance & Technical Operations
- Thomas Duffy** - Vice President, Technical Services
- Scott L. Durgin** - Vice President, Lean Methods and Administration
- Brad Elstad** - Vice President, Safety & Regulatory Compliance
- Ron Henson** - Vice President, Labor Relations
- Jeff Jones** - Vice President, Market Planning & Development
- Jerry Balsano** - Vice President, Customer Service
- Paul Kinstedt** - Vice President, System Operations Control
- Don Osmundson** - Vice President, Flight Operations
- Daniel Shurz** - Vice President, Planning and Strategy
- Drew Skaff** - Vice President, Supply Chain
- Kathy Wooldridge** - Vice President, Human Resources
- Aaron Workman** - Vice President, Information Technology

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): _____ , SF Board of Supervisors	City elective office(s) held: _____

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Federal Express, Corporation	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
(1) Board of Director Members: David Bronczek; Robert Carter; Michael Ducker; T. Glenn; Alan Graf Jr.; Shirley Jackson Ph.d.; William Logue; Steven Loranger; Kenneth Masterson; Christine Richards; Susan Schwab Ph.D.; Frederick Smith; David Steiner (2) CEO: David Bronczek; CFO: Alan Graf; COO: Diane Miller Stokely	
Contractor address: 3680 Hacks Cross Road, Building H, 3 rd Floor, Memphis, TN 38125	
Date that contract was approved: Airport Commission – December 15, 2009	Amount of contract: Year 1 of 3 - \$3,449,211
Describe the nature of the contract that was approved: Lease for Cargo Facility (Building 900) at the San Francisco International Airport	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority; Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Clerk of the SF Board of Supervisors	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, S.F., CA 94102	E-mail: bos.legislation@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)

Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held: Francisco;
------------------------------------------------------------------	-------------------------------------------------

Contractor Information (Please print clearly.)

Name of contractor:
EVA Airways Corporation

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

Board Members:

1. Board of directors :Chang, Yung-Fa ; Lin, Sun-San ; Lin, Long-Hwa ; Chang, Ming-Yuh ; Jeng, Kung-Yeun ; Chang, Kuo-Hua

2. Chief executive officer: Jeng , Kung-Yeun
Chief financial officer: Wu, Kuang-Hui
Chief operating officer: Soong, Allen

Contractor address:
1350 Bayshore Highway, Suite 820
Burlingame, CA94101

Date that contract was approved:	Amount of contract: TBD each FY
----------------------------------	------------------------------------

Describe the nature of the contract that was approved:
2011 Airport/Airline Lease and Use Agreement

Comments:

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)

Name of filer:	Contact telephone number: 0
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

File No.

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): , SF Board of Supervisors	City elective office(s) held: , San Francisco;

Contractor Information (Please print clearly.)	
Name of contractor: Emirates	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Board Members: Emirates is a non public company based in Dubai, UAE. There is no Board of Director. CEO, HH S Ahmed B Saeed Al Maktoum NO CFO, COO	
Contractor address: 55 East 55 th Street, New York, NY 10022.	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

File No.

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information (Please print clearly.)	
Name of contractor: Delta Air Lines, Inc.	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. (1) Richard H. Anderson, Edward H. Bastian, Roy J. Bostock, John S. Brinzo, Daniel A. Carp, John M. Engler, Mickey P. Foret, David R. Good, Paula Rosput Reynolds, Kenneth C. Rogers, Rodney E. Slater, Douglas M. Steenland, Kenneth B. Woodrow; (2) Richard H. Anderson, Hank Halter; (3) None; (4) N/A; (5) Delta Air Lines Political Action Committee (Federal PAC); 1212 New York Ave. NW; Suite 200; Washington, DC 20005	
Contractor address:	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved:	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form (Mayor, Gavin Newsom)

a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer: Angela Calvillo, Clerk of the Board of Supervisors	Contact telephone number: (415) 554-5184
Address: 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102-4689	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): , SF Board of Supervisors	City elective office(s) held: cisco;

Contractor Information (Please print clearly.)	
Name of contractor: <i>Callego Corp. Airport</i>	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. Board Members: (1) See attached (2) Employee: James M. Jones, Robert J. Ho, Stephen (3) Sore Pacific Limited, A. Lopez Limited, (4) Jose B. Garcia	
Contractor address: <i>300 36c Post Street, San Francisco, CA 94108</i>	
Date that contract was approved: <i>February 23, 2010</i>	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board

- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held: -----
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Asiana Airlines	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: CEO: Yoon, Yong Doo; CFO: Han, Chang Soo; COO: Kim, Jae IL See attached for full list of Board of Directors 2010	
Contractor address: Asiana Town, P.O. Box 98, 470soe-Dong, Gangseo-Gu, Seoul, South Korea	
Date that contract was approved: TBD	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL**
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): Members, SF Board of Supervisors	City elective office(s) held:
Contractor Information (Please print clearly.)	
Name of contractor: British Airways Plc.	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary. Board Members: Martin Broughton (Chairman), Willie Walsh (Chief Executive Officer), Keith Williams (Chief Financial Officer), Maarten van den Bergh, Baroness Kingsmill, Jim Lawrence, Alison Reed, Rafael Sanchez-Lozano, Ken Smart, Baroness Symons	
Contractor address: 75-20 Astoria Blvd., Jackson Heights, NY 11370	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form (Mayor, Gavin Newsom)

a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: All Nippon Airways Corporation Limited	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members:	
(1) Ref to the attached.	
(2) Chief executive officer: ITO, Shinichiro Chief financial officer (Executive Vice President in charge of Finance & Accounting): HIDEAMA, Tomohiro Chief operating officer (President): ITO, Shinichiro	
(3) Nil	
(4) Nil	
(5) Nil	
Contractor address: Head Office: Shiodome-City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7133, Japan SFO Office: 100 Upper International Loop Room # 1-5-050, San Francisco International Airport, San Francisco, CA94128	
Date that contract was approved:	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: American Airlines, Inc.	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: Board of Directors: Gerard J. Arpey, John W. Bachmann, David L. Boren, Armando M. Codina, Rajat K. Gupta, Alberto Ibarguen, Ann M. Korologos, Michael A. Miles, Philip J. Purcell, Ray M. Robinson, Judith Rodin, Matthew K. Rose, Roger T. Staubach CEO: Gerald Arpey; CFO: Tom Horton; COO: Bob Reding	
Contractor address: 4333 Amon Carter Boulevard, Fort Worth, TX 76155	
Date that contract was approved: TBD	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer) _____ Date Signed _____

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk) _____ Date Signed _____

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:
Contractor Information (Please print clearly.)	
Name of contractor: AIR CHINA LIMITED	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Board Members: Mr. Kong, Dong, Ms. Wang, Yinxiang, Mr. Wang, Shixiang, Mr. Cao, Jianxiong, Mr. Christopher Dale Pratt, Mr. Chen, Nan Lok Philip, Mr. Cai, Jianjiang, Mr. Fan, Cheng, Mr. Hu, Hung Lick Henry, Mr. Zhang, Ke, Mr. Jia, Kang, Mr. Fu, Yang. (2) <u>Chairman</u> -Kong Dong, <u>CEO</u> -Cai Jianjiang, <u>CFO</u> -Fan Cheng	
Contractor address: Air China Limited, 400 Oyster Point Blvd., Suite 318, South San Francisco, CA 94080	
Date that contract was approved: TBD	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits
Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

File No. _____

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information (Please print clearly.)	
Name of City elective officer(s): SF Board of Supervisors	City elective office(s) held:

Contractor Information (Please print clearly.)	
Name of contractor: <u>SOCIETE AIR FRANCE</u>	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Board Members: <u>SEE ATTACHED</u>	
Contractor address: <u>45, rue de Paris 95747 ROISSY CDG Cedex France // 125 West 55th St., New York, NY 10019</u>	
Date that contract was approved: TBD	Amount of contract: TBD each FY
Describe the nature of the contract that was approved: 2011 Airport/Airline Lease and Use Agreement	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor, Gavin Newsom)
- a board on which the City elective officer(s) serves San Francisco Board of Supervisors

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information (Please print clearly.)	
Name of filer:	Contact telephone number: ()
Address:	E-mail:
Signature of filer:	Date:

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

ATTACHMENT A

Airline/Airport Lease & Use Agreement Modifications

Table 1 - Exclusive Use Space (in square feet)

	Airline	Lease #	Mod. #	Changes in Categories of Rent				
				Cat I	Cat II	Cat III	Cat IV	Cat V
1	American Airlines	L82 - 0111	10	23,909	31,017	35,254	35,005	-
2	China Airlines	L82 - 0315	3	-	3,249	-	-	-
3	Delta Air Lines ¹	L82 - 0115	7	19,489	28,190	20,367	8,481	-
4	Japan Airlines	L82 - 0117	3	-	6,547	-	-	-
5	Mexicana Airlines	L83 - 0045	5	-	-	1,599	-	594
6	Northwest Airlines	L82-0119	9	-	-	-	-	-
7	Philippine Airlines	L82 - 0317	5	-	4,192	-	-	-
8	Singapore Airlines	L82 - 0124	3	-	5,190	588	-	-
9	United Air Lines	L82 - 0126	17	68,485	94,187	71,297	191,207	21,610

¹ Delta's lease modification will include space formerly leased to Northwest Airlines due to the merger of the two airlines.

Lease & Operating Agreement Modifications

Table 2 - Exclusive Use Space (in square feet)

	Airline	Lease #	Mod. #	Changes in Categories of Rent				
				Cat I	Cat II	Cat III	Cat IV	Cat V
1	Air China	L99 - 0315	1	-	1,325	-	-	-
2	Air France	L99 - 0316	1	-	4,673	537	-	-
3	All Nippon Airways	L99 - 0319	1	-	1,777	-	-	-
4	Asiana Airlines	L99 - 0318	1	-	1,789	-	-	-
5	British Airways	L99 - 0320	1	-	8,917	1,236	-	-
6	Cathay Pacific Airways	L99 - 0321	2	-	2,604	-	-	-
7	EVA Airways	L99 - 0323	1	-	4,056	495	-	-
8	Korean Airlines	L99 - 0325	1	-	1,534	421	-	-
9	LACSA Airlines	L99 - 0327	1	-	672	-	-	-
10	Lufthansa German Airlines	L99 - 0328	1	-	2,292	1,023	-	-
11	Virgin Atlantic	L99 - 0331	1	-	4,898	425	-	-

ATTACHMENT A

Table 3 - Joint Use Space (in square feet)

Joint Use Space	Categories of Rent				
	Cat I	Cat II	Cat III	Cat IV	Cat V
International Terminal	138,367	214,307	12,025	265,400	1,888
Total = 631,987 square feet					
Terminal 1	-	216	-	791	-
Total = 1,007 square feet					
Terminal 2	-	13,006	-	78,957	-
Total = 91,963 square feet					
Terminal 3	-	-	-	-	-
Total = 0 square feet					

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0100

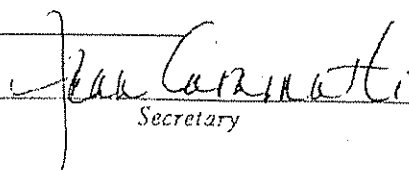
APPROVAL OF MODIFICATION NO. 10 TO AMERICAN AIRLINES, INC. AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0111 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** American Airlines, Inc. ("American Airlines") conducts flight operations at San Francisco International Airport's Terminal 3 pursuant to Airline/Airport Lease and Use Agreement No. L82-0111 (the "Lease"); and
- WHEREAS,** American Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 10 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and American Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 10 to American Airlines' Lease and Use Agreement No. L82-0111 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0101

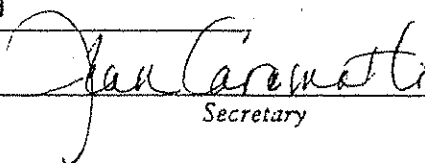
APPROVAL OF MODIFICATION NO. 3 TO CHINA AIRLINES, LIMITED AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0315 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** China Airlines, Limited ("China Airlines") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L82-0315 (the "Lease"); and
- WHEREAS,** China Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 3 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and China Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 3 to China Airlines' Lease and Use Agreement No. L82-0315 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010



Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0102


APPROVAL OF MODIFICATION NO. 7 TO DELTA AIR LINES, INC. AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0115 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Delta Air Lines, Inc. ("Delta Airlines") conducts flight operations at San Francisco International Airport's Terminal 1 pursuant to Airline/Airport Lease and Use Agreement No. L82-0115 (the "Lease"); and
- WHEREAS,** Delta Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 7 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Delta Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 7 to Delta Airlines' Lease and Use Agreement No. L82-0115 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0103

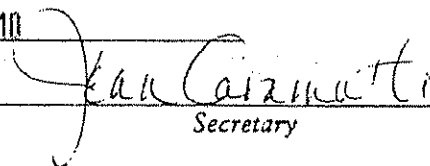
APPROVAL OF MODIFICATION NO. 3 TO JAPAN AIRLINES INTERNATIONAL AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0117 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Japan Airlines International ("Japan Airlines") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L82-0117 (the "Lease"); and
- WHEREAS,** Japan Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 3 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Japan Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 3 to Japan Airlines' Lease and Use Agreement No. L82-0117 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0104

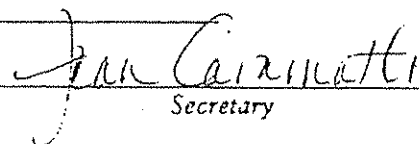
APPROVAL OF MODIFICATION NO. 5 TO COMPAÑIA MEXICANA DE AVIACION S.A. DE C.V. D/B/A MEXICANA AIRLINES AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L83-0045 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Compañía Mexicana de Aviación S.A. de C.V. d/b/a Mexicana Airlines (“**Mexicana Airlines**”) conducts flight operations at San Francisco International Airport’s International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L83-0045 (the “**Lease**”); and
- WHEREAS,** Mexicana Airlines and the Airport Commission (the “**Commission**”) of the City and County of San Francisco (the “**City**”) desire to execute Modification No. 5 (the “**Modification**”) in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Mexicana Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the “**2011 Lease**”), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City’s Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 5 to Mexicana Airlines’ Lease and Use Agreement No. L83-0045 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors’ approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0105

APPROVAL OF MODIFICATION NO. 9 TO NORTHWEST AIRLINES AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. 82-0119 TO PROVIDE FOR EARLY TERMINAL ON THE LEASE DUE TO THE INTEGRATION OF NORTHWEST AIRLINES INTO DELTA AIR LINES, AS APPROVED BY THE FEDERAL AVIATION ADMINISTRATION

- WHEREAS,** Northwest Airlines ("Northwest") has conducted flight operations at San Francisco International Airport pursuant to Airline/Airport Lease and Use Agreement No. 82-0119 (the "Lease"); and
- WHEREAS,** on December 31, 2009, the Federal Aviation Administration (the "FAA") approved the integration of Northwest into Delta Air Lines ("Delta") to reflect the acquisition of Northwest by Delta Air Lines; and
- WHEREAS,** Delta has executed (1) Modification #7 to its Lease and Use Agreement, to be effective July 1, 2010, to incorporate certain terminal space previously leased to Northwest, and (2) the 2011 Lease and Use Agreement which also includes said space in the Premises; and
- WHEREAS,** Northwest and the Airport Commission of the City and County of San Francisco (the "Commission") desire to execute Modification No.9 (the "Modification") to provide for early termination of the Lease effective June 30, 2010; and
- WHEREAS,** said Modification is deemed to be in the Commission's best interest, does not otherwise materially increase the obligations or liabilities of the Commission; now therefore be it
- RESOLVED,** that this Commission approves Modification No. 9 to Northwest Airlines, Lease and Use Agreement No. 82-0119 providing for the early termination of said Lease effective June 30, 2010, consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0106

APPROVAL OF MODIFICATION NO. 5 TO PHILIPPINE AIRLINES, INC. AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0317 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Philippine Airlines, Inc. ("**Philippine Airlines**") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L82-0317 (the "**Lease**"); and
- WHEREAS,** Philippine Airlines and the Airport Commission (the "**Commission**") of the City and County of San Francisco (the "**City**") desire to execute Modification No. 5 (the "**Modification**") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Philippine Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "**2011 Lease**"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 5 to Philippine Airlines' Lease and Use Agreement No. L82-0317 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-010

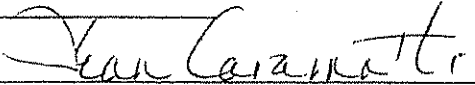
**APPROVAL OF MODIFICATION NO. 3 TO SINGAPORE AIRLINES LIMITED AIRLINE/
AIRPORT LEASE AND USE AGREEMENT NO. L82-0124 TO PROVIDE FOR MODIFICATION
OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL
CATEGORIES I THROUGH V, AS APPLICABLE.**

- WHEREAS,** Singapore Airlines Limited ("Singapore Airlines") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L82-0124 (the "Lease"); and
- WHEREAS,** Singapore Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 3 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Singapore Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 3 to Singapore Airlines' Lease and Use Agreement No. L82-0124 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010



Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0168

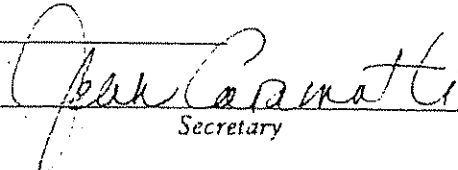
APPROVAL OF MODIFICATION NO. 17 TO UNITED AIR LINES, INC. AIRLINE/AIRPORT LEASE AND USE AGREEMENT NO. L82-0126 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE APPLICABLE TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** United Air Lines, Inc. ("United Airlines") conducts flight operations at San Francisco International Airport's Terminal 3 and International Terminal pursuant to Airline/Airport Lease and Use Agreement No. L82-0126 (the "Lease"); and
- WHEREAS,** United Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 17 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and United Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 17 to United Airlines' Lease and Use Agreement No. L82-0126 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0109

APPROVAL OF MODIFICATION NO. 1 TO AIR CHINA LIMITED LEASE AND OPERATING AGREEMENT NO. L99-0315 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, Air China Limited ("Air China") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0315 (the "Lease"); and

WHEREAS, Air China and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and Air China and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it

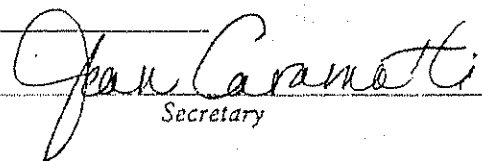
RESOLVED, that this Commission approves Modification No. 1 to Air China's Lease and Use Agreement No. L99-0315 consistent with the terms of the attached memorandum; and be it further

RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0110

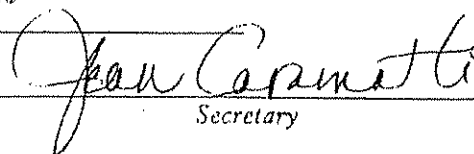
APPROVAL OF MODIFICATION NO. 1 TO AIR FRANCE LEASE AND OPERATING AGREEMENT NO. L99-0316 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Air France ("Air France") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0316 (the "Lease"); and
- WHEREAS,** Air France and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Air France and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 1 to Air France's Lease and Use Agreement No. L99-0316 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

MAR 16 2010

at its meeting of _____


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0111

**APPROVAL OF MODIFICATION NO. 1 TO ALL NIPPON AIRWAYS CORPORATION,
LIMITED LEASE AND OPERATING AGREEMENT NO. L99-0319 TO PROVIDE FOR
MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL
IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.**

WHEREAS, All Nippon Airways Corporation, Limited ("All Nippon Airways") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0319 (the "Lease"); and

WHEREAS, All Nippon Airways and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and All Nippon Airways and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to All Nippon Airways' Lease and Use Agreement No. L99-0319 consistent with the terms of the attached memorandum; and be it further

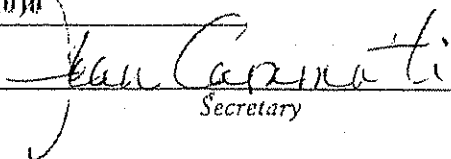
RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2011


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0112

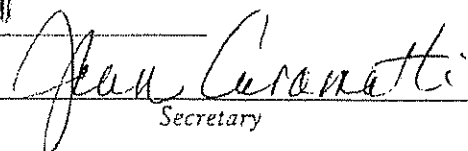
APPROVAL OF MODIFICATION NO. 1 TO ASIANA AIRLINES LEASE AND OPERATING AGREEMENT NO. L99-0318 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Asiana Airlines ("Asiana Airlines") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0318 (the "Lease"); and
- WHEREAS,** Asiana Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Asiana Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 1 to Asiana Airlines' Lease and Use Agreement No. L99-0318 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission.

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0113

APPROVAL OF MODIFICATION NO. 1 TO BRITISH AIRWAYS PLC LEASE AND OPERATING AGREEMENT NO. L99-0320 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, British Airways PLC (“British Airways”) conducts flight operations at San Francisco International Airport’s International Terminal pursuant to Lease and Operating Agreement No. L99-0320 (the “Lease”); and

WHEREAS, British Airways and the Airport Commission (the “Commission”) of the City and County of San Francisco (the “City”) desire to execute Modification No. 1 (the “Modification”) in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and British Airways and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the “2011 Lease”), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City’s Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to British Airways’ Lease and Use Agreement No. L99-0320 consistent with the terms of the attached memorandum; and be it further

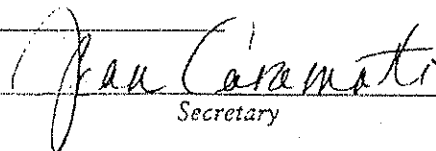
RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors’ approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0114

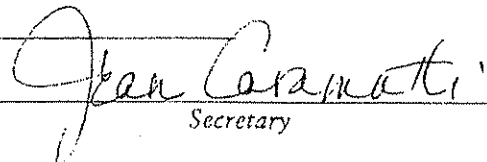
APPROVAL OF MODIFICATION NO. 2 TO CATHAY PACIFIC AIRWAYS LIMITED LEASE AND OPERATING AGREEMENT NO. L99-0321 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Cathay Pacific Airways Limited ("Cathay Pacific Airways") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0321 (the "Lease"); and
- WHEREAS,** Cathay Pacific Airways and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 2 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Cathay Pacific Airways and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 2 to Cathay Pacific Airways' Lease and Use Agreement No. L99-0321 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0115

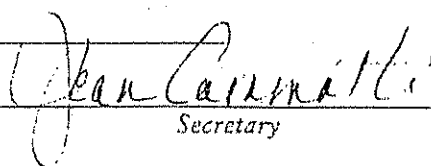
APPROVAL OF MODIFICATION NO. 1 TO EVA AIRWAYS CORPORATION LEASE AND OPERATING AGREEMENT NO. L99-0323 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

- WHEREAS,** Eva Airways Corporation ("Eva Airways") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0323 (the "Lease"); and
- WHEREAS,** Eva Airways and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and
- WHEREAS,** said Lease expires on June 30, 2011, and Eva Airways and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and
- WHEREAS,** in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it
- RESOLVED,** that this Commission approves Modification No. 1 to Eva Airways' Lease and Use Agreement No. L99-0323 consistent with the terms of the attached memorandum; and be it further
- RESOLVED,** that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further
- RESOLVED,** that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0116

APPROVAL OF MODIFICATION NO. 1 TO KOREAN AIRLINES CO., LTD LEASE AND OPERATING AGREEMENT NO. L99-0325 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, Korean Airlines Co., Ltd. ("**Korean Airlines**") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0325 (the "**Lease**"); and

WHEREAS, Korean Airlines and the Airport Commission (the "**Commission**") of the City and County of San Francisco (the "**City**") desire to execute Modification No. 1 (the "**Modification**") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and Korean Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "**2011 Lease**"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to Korean Airlines' Lease and Use Agreement No. L99-0325 consistent with the terms of the attached memorandum; and be it further

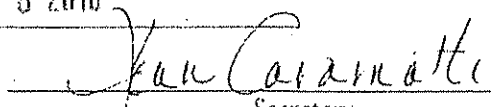
RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 15 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0117

APPROVAL OF MODIFICATION NO. 1 TO LINEAS AÉREAS COSTARRICENSES, S.A. LEASE AND OPERATING AGREEMENT NO. L99-0327 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, Lineas Aéreas Costarricenses, S.A. ("LACSA") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0327 (the "Lease"); and

WHEREAS, LACSA and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and LACSA and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to LACSA's Lease and Use Agreement No. L99-0327 consistent with the terms of the attached memorandum; and be it further

RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of MAR 16 2010

Jean Caranatti
Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0118

APPROVAL OF MODIFICATION NO. 1 TO DEUTSCHE LUFTHANSA, AG, DBA LUFTHANSA GERMAN AIRLINES LEASE AND OPERATING AGREEMENT NO. L99-0328 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, Deutsche Lufthansa, AG, dba, Lufthansa German Airlines ("Lufthansa German Airlines") conducts flight operations at San Francisco International Airport's International Terminal pursuant to Lease and Operating Agreement No. L99-0328 (the "Lease"); and

WHEREAS, Lufthansa German Airlines and the Airport Commission (the "Commission") of the City and County of San Francisco (the "City") desire to execute Modification No. 1 (the "Modification") in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and Lufthansa German Airlines and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the "2011 Lease"), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to Lufthansa German Airlines' Lease and Use Agreement No. L99-0328 consistent with the terms of the attached memorandum; and be it further

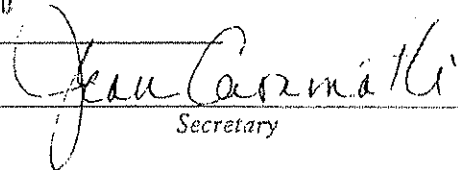
RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED. that the Commission Secretary is hereby directed to request Board of Supervisors' approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2010


Secretary

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 10-0119

APPROVAL OF MODIFICATION NO. 1 TO VIRGIN ATLANTIC AIRWAYS LIMITED COMPANY LEASE AND OPERATING AGREEMENT NO. L99-0331 TO PROVIDE FOR MODIFICATION OF TERMINAL SPACE RENTED IN THE INTERNATIONAL TERMINAL IN RENTAL CATEGORIES I THROUGH V, AS APPLICABLE.

WHEREAS, Virgin Atlantic Airways Limited Company (“Virgin Atlantic Airways”) conducts flight operations at San Francisco International Airport’s International Terminal pursuant to Lease and Operating Agreement No. L99-0331 (the “Lease”); and

WHEREAS, Virgin Atlantic Airways and the Airport Commission (the “Commission”) of the City and County of San Francisco (the “City”) desire to execute Modification No. 1 (the “Modification”) in order to amend the terms of said Lease to reflect modified terminal rental space for FY2010/11; and

WHEREAS, said Lease expires on June 30, 2011, and Virgin Atlantic Airways and the Commission and airlines have negotiated a new Lease and Use Agreement to take effect on July 1, 2011 (the “2011 Lease”), for a term of ten (10) years, and approval of the Modification is conditioned upon the full execution and delivery of such 2011 Lease to the Airport; and

WHEREAS, in order to facilitate the implementation of the 2011 Lease and the placement in service of new facilities, the Commission desires to authorize the Airport Director to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, that the Airport Director determines, in consultation with the City Attorney, are in the best interests of the Commission, do not otherwise materially increase the obligations or liabilities of the Commission, are necessary or advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance with all applicable laws, including City’s Charter; now, therefore, be it

RESOLVED, that this Commission approves Modification No. 1 to Virgin Atlantic Airways’ Lease and Use Agreement No. L99-0331 consistent with the terms of the attached memorandum; and be it further

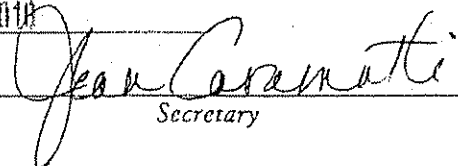
RESOLVED, that this Commission authorizes the Airport Director to execute said Modification and to enter into any additional non-material modifications to the Lease, including changes to the demised premises of not-to-exceed 10% of leased square footage, as described above; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request Board of Supervisors’ approval of said Modification pursuant to City Charter Section 9.118.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

MAR 16 2011


Secretary

File No. 100352



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

Case No.: 2010.0227E
Project Title: SFO- Airline Lease and Use Agreements
and Lease Modifications
Project Sponsor: Aubrey Park, San Francisco International Airport (SFO)
(650) 821-7844
Staff Contact: Brett Bollinger - (415) 575-9024
brett.bollinger@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION:

San Francisco International Airport (SFO) and the airlines have negotiated a new 10-year lease, effective July 1, 2011 ("2011 Lease"), which would continue the airlines' operations at SFO and maintain the current residual rate-setting methodology with terminal rent rates and landing fees. The new 2011 Lease provides for greater flexibility and more efficient use of domestic gates at SFO by moving from exclusive use facilities under airline control to preferential and common use facilities over which SFO would have more control over accommodating airlines needing more space. The 2011 Lease and associated agreements would continue an existing use at SFO, with no physical changes to the site or intensification of use.


EXEMPT STATUS:

Categorical Exemption, Class 1 (State CEQA Guidelines Section 15301)

DETERMINATION:

I do hereby certify that the above determination has been made pursuant to State and Local requirements.


Bill Wycko
Environmental Review Officer


Date

cc: Project Sponsor
Bulletin Board/M.D.F.
Exclusion/Exemption File

REMARKS:

The 2011 Lease would allow the continuation of existing airline operations at SFO for an additional 10-year term. Under the new lease certain changes would be made to the business terms under which airlines operate at SFO. However, these changes would not result in an impact to the environment and would not result in construction or expansion of the existing SFO facilities. Since no new construction or other physical change would result with the 2011 Lease, there would be no change or substantial intensification in the on-going activities occurring at SFO. Therefore, it can be seen with certainty that there would be no significant environmental impacts.

CEQA State Guidelines Section 15301, or Class 1, provides an exemption from environmental review for leases of existing public or private structures involving negligible or no expansion of use. The proposed project would meet these criteria because the 2011 Lease and associated agreements would continue an existing use at SFO, with no physical changes to the site or intensification of use.

CEQA State Guidelines Section 15300.2 states that a categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances. There are no unusual circumstances surrounding the current proposal that would suggest a reasonable possibility of a significant environmental effect. Therefore, the 2011 Lease would be exempt under the above-cited classification. Therefore, it can be seen with certainty that there would be no significant environmental impacts.



San Francisco International Airport

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

April 8, 2010

Gail Johnson
Clerk, Budget and Finance Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

RE: File Nos. 100351 and 100352

Dear Ms. Johnson:

The Airport recently received a CEQA Exemption Certificate of Determination for the Airport 2011 Lease and Use Agreements with Various Airlines (File No. 100351) and the Airline and Airport Lease and Use Agreement Modifications and Lease and Operating Agreement Modifications with Various Airlines (File No. 100352) which have been received and assigned to the Budget and Finance Committee for consideration.

I'm attaching two (2) copies of the Exemption Certificate and request that a copy be placed in each of the files.

Please feel free to contact me at 650-821-5023 with any questions.

Thank you.

Sincerely,

Cathy Widener
Governmental Affairs Manager
SFO

- AIRPORT COMMISSION
- CITY AND COUNTY OF SAN FRANCISCO
- GAVIN NEWSOM
MAYOR
- LARRY MAZZOLA
PRESIDENT
- LINDA S. CRAYTON
VICE PRESIDENT
- CARYL ITO
- ELEANOR JOHNS
- RICHARD J. GUGGENHIME
- JOHN L. MARTIN
AIRPORT DIRECTOR

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2010 APR -9 PM 1:30
BY AK

cc: Gary Franzella, Aviation Management
Melba Yee, City Attorney

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

San Francisco International Airport



2010 MAR 26 PM 2:01

BY AK

March 26, 2010

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

Ms. Angela Calvillo, Clerk of the Board
Board of Supervisors
City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

AIRPORT
COMMISSION
CITY AND COUNTY
OF SAN FRANCISCO

Subject: Approval of Modifications to Nine (9) Airline/Airport Lease and Use Agreements and Eleven (11) Lease and Operating Agreements between Various Airlines that Conduct Flight Operations at San Francisco International Airport and the City and County of San Francisco, acting by and through its Airport Commission

GAVIN NEWSOM
MAYOR

Dear Ms. Calvillo:

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

CARYL ITO

ELEANOR JOHNS

RICHARD J. GUGGENHIME

JOHN L. MARTIN
AIRPORT DIRECTOR

Pursuant to Section 9.118 of the City Charter, I am forwarding for the Board of Supervisors' approval of modifications to nine (9) Airline/Airport Lease and Use Agreements and modifications to eleven (11) Lease and Operating Agreements (the "Modifications"), to be effective July 1, 2010, between the City and County of San Francisco, acting by and through its Airport Commission, and various domestic and international airlines that conduct flight operations at San Francisco International Airport, as described on Attachment A hereto. The Modifications were approved by Airport Commission Resolution Nos. 10-0100 through 10-0119, all adopted March 16, 2010.

The Modifications provide for rental of approximately seven hundred nine thousand one hundred thirty one (709,131) square feet of Exclusive Use Space and seven hundred twenty three thousand sixty nine (723,069) square feet of Joint Use Space in the domestic and international terminals. The Modifications will be effective for the remaining one (1) year of the term of the Leases and have a projected annual rent of \$165,852,509 based on estimated Rates and Charges for FY 2010/2011.

The following is a list of accompanying documents (five sets):

- Board of Supervisors Resolution; and
- Approved Airport Commission Resolutions No. 10-0100 through 10-0119; and
- Commission Memorandum; and
- Modifications to the Leases

Ms. Angela Calvillo
March 26, 2010
Page 2

You may contact Gary Franzella of the Airport Aviation Management Department at (650) 821-4525 regarding this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jean Caramatti".

Jean Caramatti
Commission Secretary

Enclosures

ATTACHMENT A

Airline/Airport Lease and Use Agreement Modifications	
1	American Airlines, Inc.
2	China Airlines Limited
3	Delta Air Lines, Inc.
4	Japan Airlines International Company Limited
5	Compañía Mexicana de Aviación S.A. de C.V. dba Mexicana Airlines
6	Northwest Airlines, Inc.
7	Philippine Airlines, Inc.
8	Singapore Airlines Limited
9	United Air Lines, Inc.

Lease and Operating Agreement Modifications	
1	Air China Limited
2	Air France
3	All Nippon Airways Corporation Limited
4	Asiana Airlines
5	British Airways PLC
6	Cathay Pacific Airways Limited
7	China Airlines Limited
8	EVA Airways Corporation
9	Korean Airlines Company Limited
10	Deutsche Lufthansa, AG, dba, Lufthansa German Airlines
11	Virgin Atlantic Airways Limited Company



San Francisco International Airport

MEMORANDUM

March 16, 2010

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Caryl Ito
Hon. Eleanor Johns
Hon. Richard J. Guggenheimer

10-0100

hru

10-0119

FROM: Airport Director

MAR 16 2010

SUBJECT: Lease Modifications Related to 2011 Lease Signatories

DIRECTOR'S RECOMMENDATION: ADOPT THE ACCOMPANYING RESOLUTIONS THAT AUTHORIZE (1) MODIFICATION OF THE AIRLINE/AIRPORT LEASE AND USE AGREEMENTS FOR NINE (9) AIRLINES AS LISTED ON ATTACHMENT A, TABLES 1 AND 3, (2) THE MODIFICATION OF THE LEASE AND OPERATING AGREEMENTS FOR ELEVEN (11) AIRLINES AS LISTED ON ATTACHMENT A, TABLES 2 AND 3, AND (3) THE EARLY TERMINATION OF THE LEASE WITH NORTHWEST AIRLINES.

Executive Summary

On July 1, 2011, all 1981 Airline/Airport Lease and Use Agreements and 1999 Lease and Operating Agreements will expire. The Airport and airlines have negotiated a new Lease and Use Agreement to be effective July 1, 2011 (the "2011 Lease"). As an incentive to sign the 2011 Lease early, the airlines are being provided with the opportunity to "right size" their leased space pursuant to a modification to the existing agreements effective July 1, 2010. Staff is seeking approval of said modifications contingent upon a concurrent approval of the 2011 Lease by the Commission and Board of Supervisors.

Background

Most of the airlines operating at the San Francisco International Airport, (the "Airport") are parties to a lease which expires on June 30, 2011. Over the past several years, Airport staff has negotiated the terms of a 2011 Lease which will take effect on July 1, 2011 and has been made available to all airlines who wish to maintain or obtain signatory status at the Airport. In order to accommodate the current challenging business environment within the aviation industry, the airlines have

requested and been offered, as an incentive to sign the 2011 Lease, the opportunity to reduce their current space rental in a "right sizing" effort, and to remove the Explosive Detection System (EDS) space from their leased space pursuant to the existing leases, effective July 1, 2010. Such reductions affect both Exclusive Use Space and Joint Use Space. In five (5) instances (Delta, EVA, Mexicana, Singapore, and United), the modifications also involve the addition of space due to relocations in support of the right sizing effort and to improve operational efficiencies.

Only those airlines who sign the new lease will be allowed to right-size their leased space in this manner. These space changes are to be accomplished by a modification to each of the existing leases. For the remaining year of their current lease, the airlines will pay rent for terminal space at Rates and Charges for Categories I through V, as specified on Attachment A, Tables 1, 2, and 3, attached hereto.

Each airline operating at the Airport has been offered the opportunity to become a signatory to the new lease agreement that will take effect on July 1, 2011. Those included for approval at this time have executed and returned both the new lease and the modification of the current lease in order to implement the changes to the leased premises outlined above.

Each lease modification will take effect on July 1, 2010, contingent upon full execution by the parties subject to this approval and final approval by the Board of Supervisors. Rent will be charged in accordance with the FY 10/11 Airport Rates and Charges for the remaining year under each current lease. In order to facilitate the implementation of the new 2011 Leases and the placement in service of the renovated Terminal 2, the attached resolutions also authorize the Airport Director, in consultation with the City Attorney, to make any additional non-material modifications (including changes to the demised premises of not-to-exceed 10% of leased square footage) to the current leases as are in the City's best interest and necessary to effectuate the purposes of the existing leases or Commission resolutions, and as are in compliance with all applicable laws, including the City Charter.

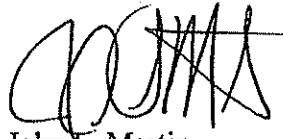
Staff is also seeking Commission approval to modify Lease and Use Agreement L82-0115 with Delta Air Lines ("Delta") to reflect the integration of Northwest Airlines ("Northwest") into Delta, as approved by the Federal Aviation Administration on December 31, 2009. Such integration allows Delta to absorb certain terminal space currently leased by Northwest into Delta's Lease and Use Agreement effective July 1, 2010. Concurrent with the modification to Delta's Lease and Use Agreement, staff is seeking Commission approval of the early termination of Northwest's Lease and Use Agreement L82-0119 effective June 30, 2010.

All of the airlines are obligated to be in compliance with or obtain an exemption from the requirements of the Equal Benefits Ordinance and other City contracting requirements.

Approval of these resolutions is contingent upon a concurrent approval of the resolutions approving the 2011 Lease, which resolutions are calendared simultaneously for Commission consideration today.

Recommendation

I recommend adoption of the accompanying resolutions that authorize the Director to execute; (1) Modifications to the 1981 Lease and Use Agreement for nine (9) airlines, and (2) Modifications to the 1999 Lease and Operating Agreement for eleven (11) airlines all as summarized on Attachment A, Tables 1, 2, and 3; and (3) Modification to Lease and Use Agreement L82-0119 with Northwest Airlines to terminate such lease effective June 30, 2010 due to the integration of Northwest Airlines into Delta Air Lines; and (4) directing the Commission Secretary to request Board of Supervisors' approval of such lease modifications in accordance with City Charter Section 9.118.



John L. Martin
Airport Director

Prepared by: Leo Fermin
Deputy Airport Director
Business and Finance

Attachments



San Francisco International Airport

February 11, 2010

P.O. Box 8097
San Francisco, CA 94128
Tel 650.821.5000
Fax 650.821.5005
www.flysfo.com

John Boatright
Vice President – Corporate Real Estate
Delta Air Lines, Inc.
1030 Delta Boulevard, Department 877
Atlanta, GA 30354

Dear Mr. Boatright:

Subject: Early Lease Termination Agreement (the "Agreement") of that certain Lease and Use Agreement No. 82-0119 (the "Lease"), as amended from time to time, between the City and County of San Francisco, acting by and through the Airport Commission (collectively, the "Airport") and Northwest Airlines, Inc. ("Northwest")

AIRPORT
COMMISSION
CITY AND COUNTY
OF SAN FRANCISCO

The purpose of this letter is to memorialize the early termination date of the Lease prior to the termination date specified in the Lease.

GAVIN NEWSOM
MAYOR

As you know, due to changes in the airline industry, Northwest Airlines ceased operations and pursuant to corporate law merged into Delta Air Lines, Inc. effective December 31, 2009. The Federal Aviation Administration approved the Delta and Northwest merger on December 31, 2009. As a result, the Lease was assigned to Delta by operation of law and Northwest no longer operates at this airport under the Lease. On a related matter, the Airport agreed to recommend for approval the Delta Lease Modification No. 7. This modification will accommodate the merger by increasing Delta's leasehold at the Airport to include premises under the Northwest Lease.

LARRY MAZZOLA
PRESIDENT

LINDA S. CRAYTON
VICE PRESIDENT

CARYL ITO

The Lease is scheduled to expire on June 30, 2011 and recognizing the new Delta corporate structure, the Airport believes it is in the interest of the parties to terminate the Lease. Thus, the Airport will recommend to the appropriate governmental bodies the approval of this Agreement. If approved, the early Lease termination date shall be June 30, 2010. If you agree, please counter sign and return this letter to the Airport.

ELEANOR JOHNS
RICHARD J. GUGGENHIME


JOHN L. MARTIN
AIRPORT DIRECTOR

Very truly yours,

John L. Martin
Airport Director

I have read and agree to the terms contained in this letter

Delta Air Lines, Inc.,
a Delaware corporation

By: 
Name: John Boatright
Title: Vice President – Corporate Real Estate

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