

1 [Airport Lease Modification - United Air Lines, Inc.]

2

3 **Resolution approving and authorizing the execution of Modification No. 1 of Lease L00-**  
4 **0464 at Plot 6 with United Air Lines, Inc., at San Francisco International Airport to: 1)**  
5 **extend the Term; 2) reduce the Demised Premises; 3) modify the annual rent; 4) provide**  
6 **for a Deferred City Improvements Payment to City; and 5) provide for certain terms of**  
7 **retroactivity relating to the rent and the Deferred City Improvements Payment.**

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9 WHEREAS, Pursuant to Ground Lease L00-0464 (the "Lease"), United Air Lines, Inc.  
10 ("United") occupies approximately 16.04 acres of land at Plot 6 at the Airport, together with  
11 ancillary City-owned buildings for various aviation related functions, and

12 WHEREAS, The Lease expired on June 30, 2011 and United wishes to continue  
13 occupancy of a portion of the Plot 6 leasehold, including Building 585, for an additional ten  
14 (10) years pursuant to a Lease modification; and

15 WHEREAS, Airport staff has negotiated the terms of Modification No. 1 that will: 1)  
16 extend the Term for an additional ten (10) years, 2) reduce the Demised Premises from  
17 approximately 16.04 acres to 12.54 acres of land, 3) reduce the rent from \$2,081,080 to  
18 \$1,638,208 per year,  
19 4) add an obligation to pay City a Deferred City Improvements Payment equal to \$696,000,  
20 and  
21 5) provide for certain terms of retroactivity to July 1, 2011, as set forth in the Director's  
22 Memorandum (the "Modification"); and

23 WHEREAS, On June 7, 2011, by Airport Commission Resolution No. 11-0135, the  
24 Airport Commission approved the Modification to the Lease between United and the City and

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1 County of San Francisco, acting by and through its Airport Commission, subject to the terms  
2 set forth above, which Modification will be effective retroactively to July 1, 2011; and

3 WHEREAS, A copy of the form of Modification No. 1 to the Lease is on file with the  
4 Clerk of the Board of Supervisors in File No. 111290, which is hereby declared to be a part of  
5 this resolution as if set forth fully herein; now, therefore, be it

6 RESOLVED, That this Board of Supervisors hereby approves and authorizes the  
7 execution of Modification No. 1 to Lease L00-0464 between United Air Lines, Inc. and the City  
8 and County of San Francisco, acting by and through its Airport Commission, which will: 1)  
9 extend the Term for an additional ten (10) years, 2) reduce the Demised Premises from  
10 approximately 16.04 acres to  
11 12.54 acres of land, 3) reduce the rent from \$2,081,080 to \$1,638,208 per year, 4) add an  
12 obligation to pay City a Deferred City Improvements Payment equal to \$696,000, and 5)  
13 provide for certain terms of retroactivity to July 1, 2011, as set forth in the Director's  
14 Memorandum.



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 111290

**Date Passed:** January 10, 2012

Resolution approving and authorizing the execution of Modification No. 1 of Lease L00-0464 at Plot 6 with United Air Lines, Inc., at San Francisco International Airport to: 1) extend the term; 2) reduce the demised premises; 3) modify the annual rent; 4) provide for a deferred City improvements payment to City; and 5) provide for certain terms of retroactivity relating to the rent and the deferred City improvements payment.


January 04, 2012 Budget and Finance Committee - RECOMMENDED


January 10, 2012 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 111290

I hereby certify that the foregoing  
Resolution was ADOPTED on 1/10/2012 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

  
Date Approved