

1 [Airline and Airport 2023 Lease and Use Agreement - Various Airlines]

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3 **Resolution approving the 2023 Lease and Use Agreement between the City and County**
4 **of San Francisco, acting by and through its Airport Commission, and seven airlines to**
5 **conduct flight operations at the San Francisco International Airport for a term of ten**
6 **years, from the first day of the calendar month following the receipt of full approvals of**
7 **the City, through June 30, 2033; affirming the Planning Department’s determination**
8 **under the California Environmental Quality Act; and authorizing the Airport Director to**
9 **enter into modifications to the Lease that do not materially increase the obligations or**
10 **liabilities to the City and are necessary to effectuate the purposes of the Lease or this**
11 **Resolution.**

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13 WHEREAS, Various airlines conduct flight operations at the San Francisco
14 International Airport (“SFO” or “Airport”) pursuant to the 2011 Airline/Airport Lease and Use
15 Agreements (“2011 Lease”); and

16 WHEREAS, The 2011 Lease was originally set to expire on June 30, 2021 (the
17 “Original Expiration Date”); and

18 WHEREAS, Prior to the Original Expiration Date, the Airport Commission of the
19 City and County of San Francisco (“City”) and the airlines were negotiating a new
20 comprehensive lease and use agreement intended to replace the 2011 Lease, which would
21 have commenced immediately following the Original Expiration Date; and

22 WHEREAS, The COVID-19 pandemic interrupted the negotiations and rendered it
23 impractical reaching agreement on a comprehensive replacement lease and use agreement;
24 and

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1 WHEREAS, In lieu of such replacement agreement, City and airlines negotiated a
2 modification to the 2011 Lease which extended the term for a period of two years (the “2011
3 Lease Extension Modification”), which was effective from July 1, 2021 through June 30, 2023;
4 and

5 WHEREAS, This Board of Supervisors approved the 2011 Lease Extension
6 Modifications with the airlines through various Resolutions; and

7 WHEREAS, City and the airlines have completed negotiations and have agreed to the
8 terms of a new comprehensive lease and use agreement, for a term of ten years, to
9 commence on July 1, 2023, and expire on June 30, 2033, and which provides for the
10 continuation of flight operations and payment of landing fees and terminal rentals by such
11 airlines at the Airport (“2023 Lease”); and

12 WHEREAS, The 2023 Lease will be the same for all airlines that elect to be a signatory
13 to the 2023 Lease with only conforming changes that reflects the specific airline; and

14 WHEREAS, On February 7, 2023, the Airport Commission adopted Resolution
15 Nos. 23-0019 through 23-0047 awarding a 2023 Lease to 29 airlines; and

16 WHEREAS, On March 21, 2023, the Airport Commission adopted Resolution Nos. 23-
17 0064 through 23-0074 awarding a 2023 Lease to an additional 11 airlines; and

18 WHEREAS, On August 15, 2023, the Airport Commission adopted Resolution Nos. 23-
19 0190 through 23-0196 for the additional seven airlines listed on Attachment I (along with the
20 40 leases previously approved by the Airport Commission, each a “Signatory Airline” and
21 collectively, “Signatory Airlines”); and

22 WHEREAS, Those Signatory Airlines with Exclusive Use Spaces have obtained full
23 compliance with Chapter 12B of the City’s Administrative Code (“Chapter 12B”); and

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1 WHEREAS, A copy of the 2023 Lease with each of the Signatory Airlines is on file with
2 the Clerk of the Board of Supervisors in File No. 231038, which is hereby declared to be part
3 of this Resolution as if set forth fully herein; and

4 WHEREAS, The Planning Department has determined that the actions contemplated in
5 this Resolution comply with the California Environmental Quality Act (California Public
6 Resources Code, Sections 21000 et. seq.); now, therefore, be it

7 RESOLVED, That this Board of Supervisors affirms this determination; and, be it

8 FURTHER RESOLVED, That, subject to the express condition set forth in the
9 immediately following Resolved clause, this Board of Supervisors approves the award of the
10 2023 Lease with Aer Lingus Limited – Lease No. 23-0190; Flair Airlines Ltd. – Lease No. 23-
11 0191; Hawaiian Airlines, Inc. – Lease No. 23-0192; JetBlue Airways Corporation – Lease
12 No. 23-0193; Qatar Airways Group Q.C.S.C. – Lease No. 23-0194; Transportes Aereos
13 Portugueses, S.A. dba TAP Air Portugal – Lease No. 23-0195; and ZIPAIR Tokyo, Inc. –
14 Lease No. 23-0196; and, be it

15 FURTHER RESOLVED, That, in order to facilitate the administration of the 2023
16 Lease, this Board of Supervisors authorizes the Airport Director to enter into non-material
17 modifications to any 2023 Lease throughout its term that do not otherwise: (a) materially
18 increase the financial obligations or liabilities of City; (b) increase the term, or (c) change the
19 general use of the demised premises from the permitted uses of the 2023 Lease; and, be it

20 FURTHER RESOLVED, That within thirty (30) days of each 2023 Lease being fully
21 executed by all parties, the Airport Commission shall provide a copy of the final contract to the
22 Clerk of the Board for inclusion into the official file.

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ATTACHMENT 1

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<u>AIRLINE</u>	<u>LEASE NO.</u>
1. Aer Lingus Limited	23-0190
2. Flair Airlines Ltd.	23-0191
3. Hawaiian Airlines, Inc.	23-0192
4. JetBlue Airways Corporation	23-0193
5. Qatar Airways Group Q.C.S.C.	23-0194
6. Transportes Aereos Portugueses, S.A. dba Tap Air Portugal	23-0195
7. ZIPAIR Tokyo, Inc.	23-0196