

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 15-0181

AWARD OF CASH MANAGEMENT AND LOCKBOX AGREEMENT (CONTRACT NO. 50006.C) TO HYATT CORPORATION; AND RELATED ACTIONS

WHEREAS, the Airport Commission’s 1992 Airport Master Plan, approved by Resolution No. 92-0284 adopted on November 3, 1992, envisioned the renovation of the then-existing 527-room Hilton Hotel at the Airport, along with new hotel space in the International Terminal; and

WHEREAS, during implementation of the Master Plan, the Airport decided against including a hotel in the International Terminal, opting instead to replace the Hilton with a new hotel to be built at the same location near the end of the South International Parking Garage A on South McDonnell Road (known as “Plot 2”); and

WHEREAS, the Master Plan was the subject of a Program Environmental Impact Report (“EIR”) certified by the San Francisco Planning Commission on May 28, 1992, by Motion No. 13356, and thereafter, on February 5, 2014, the Environmental Planning Division of the San Francisco Planning Department issued an addendum (“Addendum”) to the EIR for the hotel project and new AirTrain station at the hotel (collectively, the “Hotel Project”), determining that the Hotel Project is within the scope of the EIR and no additional environmental review is required under the California Environmental Quality Act (Public Resources Code Section 21000 et seq., “CEQA”); and

WHEREAS, on May 19, 2014, the Commission, by Resolution No. 14-0095, adopted findings under CEQA related to the Hotel Project, determined to proceed with the Hotel Project, and authorized the Director to proceed with implementation of the Hotel Project; and

WHEREAS, on May 19, 2014, the Commission, by Resolution No.14-0096, authorized issuance of a Request for Proposals (“RFP”) for a branded hotel operator, and on August 5, 2014, by Resolution No. 14-0158, authorized staff to accept proposals for a branded hotel operator and to negotiate a Hotel Management Agreement and related agreements; and

WHEREAS, Airport staff issued the RFP for a branded hotel operator for an approximately 350-room hotel (the “Hotel”) on May 20, 2014, and received eleven proposals, ten of which met the minimum qualifications and were reviewed, scored, and ranked by an independent review panel; and

WHEREAS, the Commission awarded the Hotel Management Agreement to the top-ranked firm of Hyatt Corporation by separate action taken on this date; and

WHEREAS, Airport staff has also negotiated a Cash Management and Lockbox Agreement (Contract No. 50006.C) with Hyatt Corporation and a bond trustee/depository bank (to be appointed by the Commission at a later date).(the “Agreement”); and

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WHEREAS, the Agreement describes the Hotel-related funds and accounts held by the bond trustee/depository bank and the rights each party has to access such funds and accounts; and

WHEREAS, Hyatt Corporation's rights under the Agreement continue until the Hotel Management Agreement terminates, and Hyatt will receive no additional compensation under the Agreement; and

WHEREAS, Airport staff recommends that the Agreement be awarded to Hyatt Corporation and that the Airport Director be authorized to execute the same; now, therefore, be it

RESOLVED, that this Commission has reviewed and considered the information in the EIR and Addendum, and hereby incorporates the CEQA findings contained in Resolution No. 14-0095, including findings of the Statement of Overriding Considerations, by this reference as though fully set forth in this Resolution; and be it further

RESOLVED, that this Commission hereby awards the Agreement upon the terms set forth above to Hyatt Corporation; and be it further

RESOLVED, that the Airport Director is hereby authorized to execute and deliver the Agreement in such form as may be approved by the Airport Director in consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery of such Agreement; and be it further

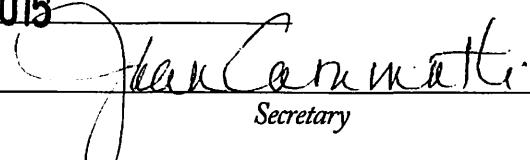
RESOLVED, that the Commission Secretary, for and on behalf of and in the name of the Commission, is authorized and directed to seek any approvals the Airport Director deems necessary or desirable from the San Francisco Board of Supervisors in order to carry out the intents and purposes of this Resolution, including approval of the execution and delivery of the Agreement with Hyatt Corporation under Section 9.118 of the San Francisco Charter; and be it further

RESOLVED, that the actions of the officers, agents, and employees of the Commission taken prior to the adoption of this Resolution to carry out the purposes and intents of this Resolution are ratified, approved, and confirmed. The Airport Director and the other officers, agents, and employees of the Commission are hereby authorized and directed to execute such documents, agreements, and certificates and to take such other actions, in consultation with the City Attorney, as may be necessary or desirable to accomplish the purposes set forth in this Resolution and the transactions contemplated hereby.

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

at its meeting of SEP 22 2015

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Secretary