

San Francisco International Airport

MEMORANDUM

March 18, 2014

TO:

AIRPORT COMMISSION

Hon. Larry Mazzola, President

Hon. Linda S. Crayton, Vice President

Hon. Eleanor Johns

Hon. Richard J. Guggenhime

Hon. Peter A. Stern

FROM:

Airport Director

SUBJECT: Modification No. 1 to the 2011 Lease and Use Agreement No. L11-0011 between

Hawaiian Airlines and the San Francisco International Airport

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 1 TO THE 2011 LEASE AND USE AGREEMENT NO. L11-0011 BETWEEN HAWAIIAN AIRLINES, INC. AND THE SAN FRANCISCO INTERNATIONAL AIRPORT, AND DIRECT THE COMMISSION SECRETARY TO FORWARD THE MODIFICATION TO THE BOARD OF SUPERVISORS FOR APPROVAL.

Executive Summary

Hawaiian Airlines, Inc. operates and utilizes certain Common Use spaces in the International Terminal, as authorized under the 2011 Lease and Use Agreement No. 11-0011 (the "Lease"). Hawaiian Airlines seeks to add approximately 538 square feet of Category II Exclusive Use Space in the International Terminal for its administrative office, pursuant to a modification to the Lease. The rent shall be based on Category II subject to the Airport's Rates and Charges.

Background

Hawaiian Airlines is a signatory to the Lease pursuant to Airport Commission Resolution No. 11-0011 and Board of Supervisors Resolution No. 156-11, adopted on January 18, 2011 and April 15, 2011, respectively. The Lease has a term of ten years effective July 1, 2011. Hawaiian Airlines operates in certain Common Use spaces in the International Terminal and does not occupy any Exclusive Space under the Lease.

Airline Terminal Space or Use Permit No. 4322 (the "Permit") permitted to Hawaiian Airlines approximately 538 square feet of Category II Exclusive Use Space in the International Terminal for its administrative offices, on a month-to-month basis.

THIS PRINT COVERS CALENDAR ITEM NO.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE

LARRY MAZZOLA

LINDA S. CRAYTON VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN AIRPORT DIRECTOR

Proposal

Hawaiian Airlines and staff propose to add this space of 538 square feet of Category II Exclusive Use Space, currently under the Permit, to the Lease Premises, through a modification to the Lease. The modification shall be effective upon full City approval and, concurrently, the Permit shall be terminated.

Recommendation

I recommend adoption of the accompanying resolution approving Modification No. 1 to the 2011 Lease and Use Agreement No. L11-0011 with Hawaiian Airlines, Inc. for the addition of approximately 538 square feet of Category II Exclusive Use Space in the International Terminal, and directing the Commission Secretary to forward the Modification to the Board of Supervisors for approval, in accordance with City Charter Section 9.118.

John L. Martin Airport Director

Prepared by: Leo Fermin

Chief Business and Finance Officer

Attachment