

1 [Contribution Agreement - United Airlines, Inc. - Airport Infrastructure Project - \$6,250,000]

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3 **Resolution approving a Contribution Agreement between United Airlines, Inc., and the**
4 **City and County of San Francisco, acting by and through its Airport Commission,**
5 **providing for a financial contribution by United Airlines, Inc., in the amount of**
6 **\$6,250,000 toward design, acquisition, construction and installation of 400 Hz**
7 **generators and pre-conditioned air units for ten remain overnight aircraft parking**
8 **positions on Plots 40 and 41 at the San Francisco International Airport, to commence**
9 **upon approval by the Board of Supervisors, and ending no later than the end date of**
10 **the 20-year useful life of the equipment purchased under the Contribution Agreement;**
11 **and making environmental findings under the California Environmental Quality Act.**

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13 WHEREAS, On February 6, 2018, by Resolution No. 18-0024, the Airport Commission
14 has determined to proceed with a project consisting of the design, acquisition, construction,
15 and installation of 400 Hz generators and pre-conditioned air units for ten remain overnight
16 aircraft parking positions on Plots 40 and 41 at San Francisco International Airport (the
17 "Project"); and

18 WHEREAS, The Planning Department has determined that the Project is categorically
19 exempt from review under the California Environmental Quality Act (California Public
20 Resources Code, Sections 21000 et seq.) as a Section 15303 (Class 3) exemption (Planning
21 Department File No. 2016-011096ENV); and

22 WHEREAS, Four of the parking positions included in the Project are at the SuperBay
23 Hangar at Plot 40, leased to United Airlines, Inc. ("United"), pursuant to Lease L04-0058,
24 dated June 1, 2004, and the remaining six locations are at Plot 41; and

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1 WHEREAS, United has agreed to contribute \$6,250,000 towards the Project cost,
2 which is estimated to be \$25,000,000; and

3 WHEREAS, The Project is partially funded by a Voluntary Airport Low Emission
4 (“VALE”) Program grant of \$10,577,500 under the Federal Aviation Administration Airport
5 Improvement Program; and

6 WHEREAS, The Airport negotiated a Contribution Agreement (the “Agreement”) with
7 United specifying the parties’ obligations for the Project, requiring United’s compliance with
8 applicable VALE Program grant terms and conditions, and providing for a \$6,250,000
9 contribution from United; and

10 WHEREAS, The term of the Agreement will commence on the date it has been fully
11 executed by the parties following full City approval and will expire on the earlier of: the end
12 date of the twenty-year useful life of the equipment purchased for the Project; the termination
13 of United’s current or any successor lease at the SuperBay Hangar at Plot 40; or cancellation
14 of the Project by the Airport; and

15 WHEREAS, On June 19, 2018, by Resolution No. 18-0184, the Airport Commission
16 authorized the Airport Director to execute the Agreement and to accept a contribution of
17 \$6,250,000 from United for the implementation of the Project; and

18 WHEREAS, A copy of the Agreement is on file with the Clerk of the Board of
19 Supervisors in File No. 180852; now, therefore, be it

20 RESOLVED, That the Board of Supervisors finds that the Agreement is within the
21 scope of the project determined by the Planning Department to be categorically exempt in File
22 No. 2016-011096ENV; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
24 Agreement between United Airlines, Inc., and the City and County of San Francisco, acting by
25 and through its Airport Commission, providing for a financial contribution by United Airlines,

1 Inc., in the amount of \$6,250,000 toward design, acquisition, construction and installation of
2 the Project; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Airport Director
4 to enter into any amendments or modifications to the Agreement that the Airport Director
5 determines, in consultation with the City Attorney, are in the best interest of the City, do not
6 otherwise materially diminish the benefits to the City or increase the obligations or liabilities of
7 the City, are necessary or advisable to effectuate the purposes of the Agreement and are in
8 compliance with all applicable laws, including City's Charter; and, be it

9 FURTHER RESOLVED, That within 30 days of the Agreement's being fully executed
10 by all parties, the Airport Commission shall provide the executed Agreement to the Clerk of
11 the Board for inclusion into the official file.

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