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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## City and County of San Francisco Tails

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

## Resolution

File Number:

180852

Date Passed: October 30, 2018

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

October 18, 2018 Budget and Finance Committee - RECOMMENDED

October 30, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 180852

I hereby certify that the foregoing Resolution was ADOPTED on 10/30/2018 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

London N. Breed Mayor **Date Approved**