

1 [Lease Agreement - Federal Express Corporation - Airport Building 900 - Minimum Rent of
2 \$6,817,955]

3 **Resolution approving and authorizing the execution of a Lease Agreement for Cargo**
4 **Building 900 and related areas on Plot 50 No. L14-0054 between Federal Express**
5 **Corporation and the City and County of San Francisco, acting by and through its**
6 **Airport Commission, for a minimum rent of \$6,817,955 for a term of five years**
7 **commencing upon the first day of the month following full City approval but no earlier**
8 **than July 1, 2014, with one option to extend the term for an additional five years.**

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10 WHEREAS, Federal Express Corporation is an integrated cargo operator and a
11 signatory airline to the 2011 Lease and Use Agreement No. 10-0086; and

12 WHEREAS, Federal Express Corporation currently operates in 133,846 square feet of
13 warehouse, office, and ramp space in Airport Building 900 on Plot 50 pursuant to Lease
14 Agreement No. L09-0280; and

15 WHEREAS, Federal Express Corporation and Airport staff have negotiated the terms
16 of a renewal lease for Federal Express Corporation's continued operation at San Francisco
17 International Airport, which includes approximately 58,676 square feet of warehouse and
18 office space in Airport Building 900 ("Parcel A"), approximately 0.151 acres (6,580 square
19 feet) of ramp space on Plot 50 ("Parcel B"), and a base term of five (5) years commencing
20 upon the first day of the month following full City approval but no earlier than July 1, 2014,
21 with one option to extend the term for an additional five (5) years at Tenant's discretion; and

22 WHEREAS, The renewal lease shall have an initial annual rent of \$1,363,591 based on
23 \$23.00 per square foot per year for Parcel A, subject to Airport's Rates and Charges, and
24 \$93,000 per acre per year for Parcel B, subject to annual Consumer Price Index adjustments;
25 and

1 WHEREAS, By Resolution No. 14-0054, adopted March 18, 2014, the Airport Commission
2 approved the Lease, a copy of which is on file with the Clerk of the Board of Supervisors in File
3 No. _____, which is hereby declared to be a part of this resolution as if set forth fully herein;
4 now, therefore, be it

5 RESOLVED, That this Board of Supervisors hereby approves the Lease Agreement for
6 Cargo Building 900 and Related Areas on Plot 50 No. L14-0054 between Federal Express
7 Corporation and the City and County of San Francisco, acting by and through its Airport
8 Commission, with a minimum rent of approximately \$6,817,955 over the five-year base term; and,
9 be it

10 FURTHER RESOLVED, That within thirty (30) days of the contract being fully executed
11 by all parties, the Airport Commission shall provide a copy of the final contract to the Clerk of
12 the Board for inclusion into the official file.

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