

AIRPORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
RESOLUTION NO. 14-0263

APPROVAL OF A LEASE AGREEMENT WITH SWISSPORT CARGO SERVICES,
L.P.FOR APPROXIMATELY 19,048 SQUARE FEET OF OFFICE AND WAREHOUSE
SPACE IN WEST FIELD CARGO BUILDING 632

WHEREAS, Swissport Cargo Services, L.P. (“Swissport Cargo”) is an aviation support services tenant under month-to-month Permit No. 4106; and

WHEREAS, Swissport Cargo wishes to relocate its operations to West Field Cargo Building 632 by entering into a Lease Agreement for approximately 15,941 square feet of warehouse space and approximately 3,107 square feet of office space, for a term of three (3) years with two (2) options to extend the term for one (1) year each at Swissport Cargo’s discretion; and

WHEREAS, the initial annual rent shall be \$438,104 based on \$23.00 per square foot per year, subject to Airport Rates and Charges adjustments; now, therefore, be it

RESOLVED, that this Commission approves the award of and authorizes the Airport Director to execute a three-year Lease Agreement with Swissport Cargo Services, L.P., for approximately 19,048 square feet of office and warehouse space in West Field Cargo Building 632, under the terms and conditions set forth in the Director’s Memorandum; and be it further

RESOLVED, that the Airport Commission hereby directs the Commission Secretary to forward the Lease Agreement to the Board of Supervisors for approval pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of* _____

DEC 16 2014


Secretary



MEMORANDUM

December 16, 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: Approval of a Lease Agreement with Swissport Cargo Services, L.P. for Space in West Field Cargo Building 632 and Related Areas on Plot 9

DIRECTOR'S RECOMMENDATION: APPROVE A LEASE AGREEMENT WITH SWISSPORT CARGO SERVICES, L.P. FOR EXCLUSIVE USE SPACE IN WEST FIELD CARGO BULDING 632, AND DIRECT THE COMMISSION SECRETARY TO FORWARD THE LEASE AGREEMENT TO THE BOARD OF SUPERVISORS FOR APPROVAL.

Executive Summary

Staff seeks the Airport Commission's approval to enter into a Lease Agreement (the "Lease") with Swissport Cargo Services, L.P. ("Swissport Cargo") for approximately 15,941 square feet of warehouse space and approximately 3,107 square feet of office space in West Field Cargo Building 632 ("West Field Building"). The Lease will commence on the first day of the month following full City approval.

Background

A study of cargo buildings on Airport property revealed that many of the buildings are in poor physical condition and do not meet the present needs of the air cargo industry. To improve efficiency and maintain a high level of service to our tenants, the Airport demolished the 40-year old Airport Building 632 and constructed a more efficient building in its place. The design of the reconstructed West Field Building offers long-term flexibility and multi-tenant occupancy.

Swissport Cargo, currently an aviation support services tenant under month-to-month Permit No. 4106, desires to relocate its operations to the West Field Building.

THIS PRINT COVERS CALENDAR ITEM NO. 13

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE LARRY MAZZOLA LINDA S. CRAYTON ELEANOR JOHNS RICHARD J. GUGGENHIME PETER A. STERN JOHN L. MARTIN
MAYOR PRESIDENT VICE PRESIDENT AIRPORT DIRECTOR

Proposal

Staff has negotiated the terms of the Lease with Swissport Cargo, as summarized below:

1. **Term:** Three (3) years commencing on the first day of the month following full City approval.
2. **Option to Extend:** Two (2) options to extend the term by one (1) year each, exercisable at Swissport Cargo's discretion.
3. **Permitted Use:** Integrated air cargo related business and for no other uses.
4. **Exclusive Premises:** Approximately 19,048 square feet in the West Field Building, comprised of:
 - 15,941 square feet of warehouse space
 - 1,546 square feet of 1st floor office space
 - 1,561 square feet of 2nd floor office space
5. **Annual Rent:** For the initial year, annual rent is equal to \$23.00 per square foot per year or \$438,104. Rent is subject to Airport Rates and Charges adjustments.

Recommendation

I recommend adoption of the attached resolution approving a Lease with Swissport Cargo Services, L.P. for exclusive use of approximately 19,048 square feet of office and warehouse spaces in West Field Cargo Building 632, and directing the Commission Secretary to forward the Lease to the Board of Supervisors for approval pursuant to Section 9.118 of the City Charter.



John E. Martin
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachment

Exhibit A

PREMISES

