

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0033

RESCISSION OF AIRPORT COMMISSION RESOLUTION NO. 14-0207, WHICH AWARDED A LEASE AGREEMENT TO MENZIES AVIATION (USA), INC. FOR THE EXCLUSIVE USE OF APPROXIMATELY 36,012 SQUARE FEET IN WEST FIELD CARGO BUILDING 632; APPROVAL OF A LEASE AGREEMENT FOR 50,319 SQUARE FEET OF EXCLUSIVE USE SPACE IN WEST FIELD CARGO BUILDING 632 IN ITS PLACE; AND DIRECTING THE COMMISSION SECRETARY TO FORWARD THE LEASE AGREEMENT TO THE BOARD OF SUPERVISORS FOR APPROVAL

WHEREAS, Menzies Aviation (USA), Inc. ("Menzies") is an aviation support services tenant under month-to-month Permit No. 4096; and

WHEREAS, Menzies previously desired to expand its operations into West Field Cargo Building 632 (the "West Field Building") by entering into a lease agreement for approximately 36,012 square feet of exclusive use subject to Airport Rates and Charges Cargo Facilities-Warehouse rate, and a term of three (3) years with three (3) options to extend the term for one (1) year each at Menzies' discretion; and

WHEREAS, the Airport Commission (the "Commission") approved the lease agreement on October 21, 2014 by Resolution No. 14-0207; and

WHEREAS, subsequent to the Commission's approval of Resolution No. 14-0207, Menzies returned to the Airport with a request to expand its exclusive use space in the West Field Building to approximately 50,319 square feet; now, therefore, be it

RESOLVED, that this Commission rescinds Resolution No. 14-0207, which approved award of a three-year lease agreement to Menzies Aviation (USA), Inc. for approximately 36,012 square feet of office and warehouse space in West Field Cargo Building 632; and, further be it

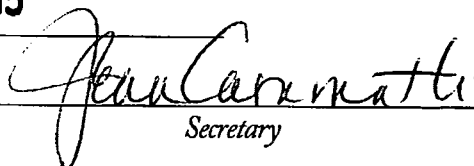
RESOLVED, that, in its place, this Commission approves the award of and authorizes the Airport Director to execute a lease agreement for approximately 50,319 square feet of office and warehouse space in West Field Cargo Building 632 with Menzies, under the terms and conditions set forth in the Director's Memorandum; and be it further

RESOLVED, that this 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* \_\_\_\_\_

**FEB 03 2015**

  
Secretary



MEMORANDUM

February 3, 2015

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Lease Agreement with Menzies Aviation (USA), Inc. for Space in West Field Cargo Building 632 and Related Areas on Plot 9

DIRECTOR'S RECOMMENDATION: RESCIND AIRPORT COMMISSION RESOLUTION NO. 14-0207, WHICH AWARDED A LEASE AGREEMENT TO MENZIES AVIATION (USA), INC. FOR EXCLUSIVE USE OF 36,012 SQUARE FEET IN WEST FIELD CARGO BUILDING 632; APPROVE, IN ITS PLACE, A LEASE AGREEMENT FOR 50,319 SQUARE FEET OF EXCLUSIVE USE SPACE IN WEST FIELD CARGO BUILDING 632; AND DIRECT THE COMMISSION SECRETARY TO FORWARD THE LEASE AGREEMENT TO THE BOARD OF SUPERVISORS FOR APPROVAL.

Executive Summary

Staff is seeking the Commission's rescission of Resolution No. 14-0207, which awarded a lease agreement to Menzies Aviation (USA), Inc. ("Menzies") for approximately 36,012 square feet of office and warehouse space in West Field Building 632 (the "West Field Building"), and award of a lease agreement for approximately 50,319 square feet in the West Field Building in its place. The Lease will commence on the first day of the month following full City approval.

Background

Menzies, currently an aviation support services tenant under month-to-month Permit No. 4096, desires to expand its operations into the West Field Building. By Resolution No. 14-0207, adopted on October 21, 2014, the Commission approved the award of a lease agreement to Menzies for approximately 36,012 square feet of exclusive use space in the West Field Building comprising of approximately 30,599 square feet of warehouse space and approximately 5,413 square feet of office space. This request was submitted to the Board of Supervisors for approval; however, the Board has not calendared this item.

THIS PRINT COVERS CALENDAR ITEM NO. 14

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE  
MAYOR

LARRY MAZZOLA  
PRESIDENT

LINDA S. CRAYTON  
VICE PRESIDENT

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN  
AIRPORT DIRECTOR

Menzies has since requested to increase its exclusive use space in the West Field Building to approximately 50,319 square feet comprising of approximately 42,620 square feet of warehouse space and approximately 7,699 square feet of office space. This represents an increase of approximately 14,307 square feet and \$329,061 in revenues to the Airport over the previously approved lease.

### Proposal

Staff proposes rescinding Commission Resolution No. 14-0207 and awarding a lease agreement to Menzies under the following terms and conditions in its place:

1. **Exclusive Premises:** Approximately 50,319 square feet in the West Field Building, comprised of:
  - 42,620 square feet of warehouse space
  - 3,853 square feet of 1st floor office space
  - 3,846 square feet of 2nd floor office space
2. **Term:** Three (3) years commencing on the first day of the month following full City approval.
3. **Option to Extend:** Three (3) options to extend the term by one (1) year each, exercisable at Menzies' discretion.
4. **Permitted Use:** Integrated air cargo related business and for no other uses.
5. **Annual Rent:** The annual rent is equal to the Airport Rates and Charges Cargo Facilities-Warehouse rate, as adjusted. For fiscal year 2014/15, the rate is \$23.00 per square foot per year for an initial annual rent of \$1,157,337.

### Recommendation

I recommend rescinding Airport Commission Resolution No. 14-0207, which approved a lease agreement to Menzies Aviation (USA), Inc. for approximately 36,012 square feet of exclusive use space in West Field Cargo Building 632, approving in its place a lease agreement for the exclusive use of approximately 50,319 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 L. Martin  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer

### Attachments

JLM/LF/DR/gp

bcc: admin/chron/doc/file/D. Ravina/D. Bong-Shao/L. Bowman

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Exhibit A  
PREMISES

