

1 [Lease Agreement - China Airlines Limited - Airport Building No. 648 and Related Areas on
2 Plot 10 - \$5,851,076]

3 **Resolution retroactively approving and authorizing the execution of Facility Lease**
4 **Agreement No. 16-0072 for Cargo Building 648 on Plot 10, between China Airlines**
5 **Limited and the City and County of San Francisco, acting by and through its Airport**
6 **Commission, for an estimated rent of \$5,851,076 for a three-year term to commence**
7 **April 9, 2016, through April 8, 2019, with one three-year option to extend.**

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9 WHEREAS, China Airlines Limited ("China Airlines") is a signatory airline under 2011
10 Lease and Use Agreement No. L10-0082; and

11 WHEREAS, Under Lease Agreement No. 10-0347, which expires on April 8, 2016,
12 China Airlines currently conducts its cargo operations in approximately 38,082 square feet of
13 space in Airport Building 648, comprised of approximately 33,246 square feet of cargo
14 warehouse space and approximately 4,836 square feet of office space (the "Premises"); and

15 WHEREAS, China Airlines and Airport staff have negotiated the terms of a renewal
16 lease for China Airlines' continued operation at the Premises, with a base term of three years
17 commencing on full City approval, with one option to extend the term for an additional three
18 years at the Airport Commission's discretion, and an initial annual rent of \$898,735.20 based
19 on the FY2015-2016 rate of \$23.60 per square foot per year, which rent shall be adjusted
20 according to Airport Rates and Charges – Cargo Building Warehouse Rate (the "Lease"); and

21 WHEREAS, The Airport Commission adopted Resolution No. 16-0072 on March 1,
22 2016, approving the Lease, a copy of which is on file with the Clerk of the Board of
23 Supervisors in File No. 160311, which is hereby declared to be a part of this resolution, as if
24 set forth fully herein; now, therefore, be it

1 RESOLVED, That this Board of Supervisors hereby approves Facility Lease
2 No. 16-0072 for Cargo Building 648 on Plot 10, between China Airlines Limited and the City
3 and County of San Francisco, acting by and through its Airport Commission, with a three-year
4 term and one three-year term extension exercisable at the Airport Commission's discretion,
5 and an estimated rent of \$5,851,076, inclusive of the term extension; and, be it

6 FURTHER RESOLVED, That within 30 days of the Lease being fully executed by all
7 parties, the Airport Commission shall provide a copy of the final Lease to the Clerk of the
8 Board for inclusion into the official file.