

1 [Ground Lease - United States Postal Service - Plot 10F - \$1,497,000 Initial Annual Rent]

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3 **Resolution retroactively approving a Ground Lease between the United States Postal**
4 **Service, and the City and County of San Francisco, acting by and through its Airport**
5 **Commission, for occupancy of approximately 8.61 acres of land, at an initial annual**
6 **rent of \$1,497,000 and four five-year options to extend the term, for the period of**
7 **September 1, 2017, through August 31, 2022.**

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9 WHEREAS, The United States Postal Service (the "Postal Service") occupies
10 approximately 8.61 acres of land at Plot 10F, pursuant to Public Utilities Commission Lease
11 No. 24392, for operation of an International Service Center ("ISC") at the San Francisco
12 International Airport; and

13 WHEREAS, The lease provides for a current annual rent of \$1,054,574.11 and a term
14 of fifty years, which term expired on August 31, 2017; and

15 WHEREAS, The Postal Service desires to continue occupancy of Plot 10F pursuant to
16 a new ground lease in order to continue operation of the ISC; and

17 WHEREAS, Airport staff has negotiated a new ground lease with the Postal Service
18 with an initial annual rent of \$1,497,000 and a term of five years and four five-year options to
19 extend the term, at the Airport's discretion, but subject to the Postal Service's approval of
20 funding (the "Lease"); and

21 WHEREAS, On September 19, 2017, pursuant to Resolution No. 17-0232, the Airport
22 Commission approved Lease L17-0232 with the Postal Service for 8.61 acres of land at
23 Plot 10F, with an initial annual rent of \$1,497,000 and a term of five years and four five-year
24 options to extend the term, however, the aforementioned Resolution cited an annual rent
25 of \$1,445,600 in error; subsequently, on December 19, 2017, pursuant to Resolution

1 No. 17-0325, the annual rent was corrected and restated as \$1,497,000 and the initial
2 Resolution number was replaced by Resolution No. 17-0325, a copy of the form of the Lease
3 is on file with the Clerk of the Board of Supervisors in File No. 180154, which is hereby
4 declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

5 RESOLVED, That this Board of Supervisors hereby approves the Lease between the
6 United States Postal Service and the City and County of San Francisco, acting by and through
7 its Airport Commission, for approximately 8.61 acres of land at Plot 10F, with an annual rent
8 of \$1,497,000 and a term of five years, and four five-year options to extend the term at the
9 Airport's sole discretion, but subject to the Postal Service's approval of funding; and, be it

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