

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.**

9  
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. 140374, which is hereby declared to be a part of this resolution as if set forth fully herein; now,  
4 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.



**City and County of San Francisco**  
**Tails**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 140374

**Date Passed:** May 13, 2014

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

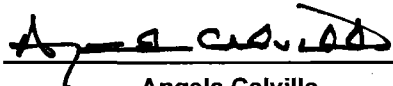
May 07, 2014 Budget and Finance Sub-Committee - RECOMMENDED

May 13, 2014 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140374

I hereby certify that the foregoing  
Resolution was ADOPTED on 5/13/2014 by  
the Board of Supervisors of the City and  
County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Date Approved