[Lease Agreement - Southwest Airlines, Co. - Airport Cargo Building 606 - \$1,313,761]

Resolution approving and authorizing the execution of a Lease Agreement for Cargo Building 606, and Related Areas on Plot 9B, No. L13-0257, between Southwest Airlines, Co., and the City and County of San Francisco, acting by and through its Airport Commission, with a minimum rent amount of \$1,313,761 for a term of five years, to commence upon Board approval.

WHEREAS, Southwest Airlines Co. ("Southwest") is a Signatory Airline pursuant to 2011 Lease and Use Agreement No. L10-0095; and

WHEREAS, Southwest currently conducts its cargo handling operations at Airport Building No. 606, on Plot 9B, pursuant to month-to-month Permit No. P4295; and

WHEREAS, Southwest desires a longer term commitment with the Airport for 11,906 square feet of cargo warehouse and office space in Airport Building 606 (the "Airport Building") and 2,640 square feet of ramp space on Plot 9B ("Ramp Space") by entering into a five-year lease (the "Lease"); and

WHEREAS, The initial rent totals \$262,752.20 based on Cargo Facilities Warehouse Rate II of \$21.70 per square foot per year for the Airport Building, as adjusted by Airport Rates and Charges, and \$72,000 per acre per year for the Ramp Space, subject to annual Consumer Price Index adjustments; and

WHEREAS, By Resolution No. 13-0257, adopted December 3, 2013, the Airport Commission approved the Lease, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 140089, which is hereby declared to be a part of this resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That this Board of Supervisors hereby approves the Lease between Southwest Airlines Co., and the City and County of San Francisco, acting by and through its Airport Commission, for a portion of Airport Building No. 606, and adjacent ramp space on Plot 9B, with a minimum rent amount of \$1,313,761 over the five-year term; and, be it

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



City and County of San Francisco Tails

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

Resolution

File Number:

140089

Date Passed:

March 11, 2014

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March 05, 2014 Budget and Finance Sub-Committee - RECOMMENDED

March 11, 2014 Board of Supervisors - ADOPTED

Ayes: 9 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar and Tang

Excused: 2 - Wiener and Yee

File No. 140089

I hereby certify that the foregoing Resolution was ADOPTED on 3/11/2014 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Mayor

Date Approvéd