



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: William F. Sherry, A.A.E.

SUBJECT: FIRST AMENDMENT TO
LEASE AGREEMENT WITH
INTEGRATED AIRLINE SERVICES

DATE: May 30, 2006

Approved

Deanna Patra

Date

6/4/06

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approval of a first amendment to the lease of airport premises agreement with Integrated Airline Services for space at 1277 Airport Boulevard, increasing the square footage of leased space and extending the term of the lease through July 31, 2011, with increased annual rental revenue of \$9,000 to the City, for total annual revenue in the amount of \$24,480.00.

OUTCOME

If the First Amendment to the Lease Agreement is approved, Integrated Airline Services will continue to have space to support its ground-handling services to various airlines and cargo carriers at the Airport.

BACKGROUND

Integrated Airline Services (Integrated) has been leasing space at 1277 Airport Boulevard since August 1, 2003. Integrated performs ground servicing for multiple passenger and cargo airlines. The lease will expire on July 31, 2006. Integrated has requested an extension of the current lease agreement.

ANALYSIS

Under the current lease, Integrated utilizes office space for operations support and storage. Integrated has requested an additional 1,200 square feet of hangar floor space and 1,380 square

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feet of asphalt ramp space. This proposed first amendment incorporates the additional space, retroactive to March 1, 2006 and extends the term of the lease.

Either party may terminate the lease without cause at any time with not less than thirty days written notice. Municipal Code Section 25.08.1340 requires that any lease of Airport property in excess of three years be approved by the City Council.

ALTERNATIVES

Not applicable

PUBLIC OUTREACH

Not applicable

COORDINATION

The lease amendment has been coordinated with Finance/Risk Management and the City Attorney's Office. This memo has been coordinated with the City Attorney's Office.

COST IMPLICATIONS

There are no City costs associated with this agreement or the proposed amendment.

BUDGET REFERENCE

Not applicable

CEQA

Resolution Nos. 67380 and 71451, PP 06-096

Frank Kirkbride
for WILLIAM F. SHERRY, A.A.E
Director of Aviation

For questions please contact William Sherry, Director of Aviation, at 408-501-7669.