



# Memorandum

**TO:** Honorable Mayor and  
City Council

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

**SUBJECT: AGREEMENT FOR LEASE OF  
AIRPORT PREMISES BY THE  
TRANSPORTATION SECURITY  
ADMINISTRATION**

**DATE:** May 24, 2010

Approved

Date

6/1/10

**COUNCIL DISTRICT:** City-Wide

## **RECOMMENDATION**

- (a) Adopt a resolution authorizing the Director of Aviation to negotiate and execute Supplemental Lease Agreement Number 13 to extend the Permit with the U.S. General Services Administration ("GSA") for exclusive space leased by the Transportation Security Administration ("TSA") at the Airport from July 1, 2010 through June 30, 2011, with revenue to the City of approximately \$960,385.
- (b) Adopt a resolution authorizing the Director to negotiate and execute future Supplemental Agreements to the Permit to extend the term through no later than June 30, 2017 at then current Airport lease rates and to document changes to the exclusive leased space.

## **OUTCOME**

Approval of the Supplemental Lease Agreement Number 13 will allow the TSA to continue to occupy exclusive lease space in support of its checkpoint security and baggage screening functions in the Terminals.

## **BACKGROUND**

The TSA has occupied space at the Airport since November 18, 2002 in support of the TSA's checkpoint security and baggage screening functions. The TSA currently occupies a total of 5,280 square feet of exclusive lease premises in Terminals A and C under a Permit with the GSA. In preparation for the opening of Terminal B, the TSA will begin occupying an additional 1,088 square feet of exclusive leased premises effective June 15, 2010, resulting in a total 6,368

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square feet of leased premises. Effective upon the closure of Terminal C, the TSA will vacate its Terminal C premises and continue to occupy approximately 4,708 square feet in Terminal A and Terminal B.

Under authority of Resolution No. 72978, the Permit was amended annually through Supplemental Lease Agreements to extend the term through June 30, 2010 and to document changes in the exclusive lease premises. Either party may terminate the Permit at any time upon thirty (30) days written notice.

### **ANALYSIS**

The exclusive leased premises in the Permit support the TSA's vital and necessary functions at the Airport. The Director has authorization to negotiate amendments to the Permit through Supplemental Lease Agreements, but only through June 30, 2010 when the Permit will expire. Staff recommends that Council authorize the Director to execute Supplemental Lease Agreement Number 13 to extend the Permit through June 30, 2011, with revenue to the City of approximately \$960,385.

The TSA will need to occupy exclusive leased premises for the foreseeable future. Staff recommends that Council authorize the Director to continue to negotiate and execute amendments to the Permit through June 30, 2017. This will allow the Director to account for lease rate adjustments resulting from the City's annual Airport Rates and Charges Resolution, expansion and contraction of the exclusive leased premises, extension of the term through June 30, 2017 and other changes to the Permit as mutually agreed to by the TSA and the Airport.

### **EVALUATION AND FOLLOW-UP**

The Director will assess TSA space requirements upon annual renewals of the Permit.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

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This item does not meet the above criteria requiring additional notification; however, it will be posted on the City's Council Agenda Website for the June 15, 2010 Council Meeting.

### **COORDINATION**

This memo has been coordinated with the City Attorney's Office and the Budget Office.

### **COST SUMMARY/IMPLICATIONS**

The City's yearly income from this Permit is approximately \$960,385 as adjusted by the Airport Rates and Charges Resolution.

### **CEQA**

Resolution Nos. 67380 and 71451, PP10-094.

/s/

WILLIAM F. SHERRY, A.A.E

Director of Aviation

Airport Department

For more information or answers to questions, please contact William F. Sherry, Director of Aviation, at (408) 501-7669