



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

**SUBJECT: THIRD AMENDMENT TO
LEASE OF AIRPORT PREMISES
WITH G2 SECURE STAFF, LLC**

DATE: November 14, 2011

Approved

Date

11/18/11

RECOMMENDATION

Approve a Third Amendment to Lease of Airport Premises with G2 Secure Staff, LLC ("G2") to extend the term for five years, from January 1, 2012 through December 31, 2016, with annual revenue to the City of approximately \$36,293.

OUTCOME

Approval of this Third Amendment will allow G2 to continue to occupy exclusive leased space in support of its ground handling services provided to various air carriers at the Norman Y. Mineta San José International Airport ("Airport").

BACKGROUND

G2 occupies space at the Airport in support of its ground handling operations under a Lease of Airport Premises that was effective January 1, 2006. G2 provides baggage handling, skycap, cabin, and security services under direct contract with various air carriers at the Airport under the authority of a separate Permit with the City. G2 originally leased 157 square feet of office space in Terminal C. When Terminal C closed in June 2010, G2 moved to its current location in Terminal A, consisting of 146 square feet, effective June 15, 2010.

ANALYSIS

G2 has asked to extend its Lease of 146 square feet of office space used in support of administrative activities related to G2's ground handling operations at the Airport. The five year extension of this Lease will result in total revenue under the Lease exceeding \$250,000. Municipal Code Section 25.08.1340 provides the Council shall approve the execution of a Lease if the total revenue received by the City under the Lease exceeds \$250,000 and the term of the lease is greater than three years.

EVALUATION AND FOLLOW-UP

The Director will continue to monitor G2's performance and assess its space requirements upon Lease expiration.

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)**

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 December 6, 2011 Council Meeting.

COORDINATION

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

CEQA

Not a project, File No. PP10-066(f), Lease of existing space for same use.

HONORABLE MAYOR AND CITY COUNCIL

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/s/ Kimberly B. Aguirre for
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) 392-3610.