

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Airports	(2) MEETING DATE 3/22/2016	(3) CONTACT/PHONE Kevin Bumen – Director of Airports 805-781-5205	
(4) SUBJECT Request to approve Amendment No. 1 to a previously approved Use Permit and Lease Agreement to extend for one year the rental of terminal office space by the Transportation Security Administration (TSA) at the San Luis Obispo County Regional Airport. District 3.			
(5) RECOMMENDED ACTION It is recommended the Board approve Amendment No. 1 to a previously approved Use Permit and Lease Agreement for the rental of terminal office space by the Transportation Security Administration (TSA) at the San Luis Obispo County Regional Airport.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$135.22 (increased rev)	(8) ANNUAL FINANCIAL IMPACT \$657.82 (increased rev)	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP See Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: 5-21-2013	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) District 3			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Airports / Kevin Bumen 805-781-5205

DATE: 3/22/2016

SUBJECT: Request to approve Amendment No. 1 to a previously approved Use Permit and Lease Agreement to extend for one year the rental of terminal office space by the Transportation Security Administration (TSA) at the San Luis Obispo County Regional Airport. District 3.

RECOMMENDATION

It is recommended the Board approve Amendment No. 1 to a previously approved Use Permit and Lease Agreement for the rental of terminal office space by the Transportation Security Administration (TSA) at the San Luis Obispo County Regional Airport.

DISCUSSION

Following the events of September 11, 2001, the Transportation Security Administration (TSA) was formed to, among other tasks; provide security screening functions at our nation's airports, including the San Luis Obispo County Regional Airport.

Since April 2003, the TSA and County have entered into Use Permits and Lease Agreements, of varying lengths of time, whereby the TSA rented and occupied approximately 450 square feet of office space in the terminal building. The most current permit and agreement will expire on April 16, 2016.

Prior to the expiration of the agreement, the TSA (through the federal government's General Services Administration Real Estate Acquisition Division) and the County, entered into negotiations on Amendment No. 1 to the existing permit and lease.

This Lease Amendment No. 1 is issued to extend the lease for one year and to increase the annual rent by 5%.

The amendment is for a 1 year period, April 17, 2016 through April 16, 2017. However, the amendment provides TSA with the option of renewal for up to an additional 1 year period (April 17, 2017 through April 16, 2018) with an additional 5% increase in the annual rent provided:

1. Notice is given in writing to the County at least 90 days before the end of the lease term or any renewal term; and
2. The existing terminal, of which the Premises is a part, is designated and used as the primary air terminal building for the airport.

All other terms and conditions of this lease remain the same during the renewal term.

The amount of area in the Amendment No. 1 is unchanged from the prior agreement.

OTHER AGENCY INVOLVEMENT/IMPACT

This contract has been reviewed by County Counsel for form and legal effect.

FINANCIAL CONSIDERATIONS

Currently, rent for the office space is paid to Airport Services on a monthly basis, in arrears, at the rate of \$26.52 per square foot. Amendment No. 1 will increase the annual rent by 5% to a rate of \$30.70 per square foot beginning April 17, 2016. Changes to monthly and annual rents are depicted in the table below:

	Monthly	Annual
Current through 4-16-2016	\$1,096	\$13,156
Amendment No. 1 4/17/16 to 4/16/17 (5% increase)	\$1,151	\$13,184
Renewal Option 4/17/17 to 4/16/18 (additional 5% increase)	\$1,208	\$14,505

RESULTS

Approval of the Amendment No. 1 to the Use Permit and Lease will provide an extension agreement for the use of office space in the terminal, a continuation of rental revenue, and continue to have an improved impact to customer service by having TSA screening offices in the terminal rather than an off airport location.

ATTACHMENTS

1. Site Map
2. TSA SBP Use Permit 2016 Final
3. US GSA Lease Amendment Final