

## AGENDA REPORT

**Ordinance:** Approval of *Lease Amendment No. 10* to the *U.S. Government Lease for Real Property* with the United States of America, General Services Administration, on behalf of the Transportation Security Administration, which Increases the Leased Office Space Used by the TSA at Oakland International Airport by 225 Square Feet at a Rental Rate of \$5,666.17 Per Month Through September 30, 2021. **(Aviation)**

**MEETING DATE:** 6/14/2018

**AMOUNT:** \$5,666.17 Rental Per Month – Revenue

**PARTIES INVOLVED:** United States of America, Washington, D.C.  
General Services Administration, San Francisco, CA

**SUBMITTED BY:** Bryant L. Francis C.M., Director of Aviation

**APPROVED BY:** J. Christopher Lytle, Executive Director

**ACTION TYPE:** Ordinance

### **EXECUTIVE SUMMARY**

This action would give first reading to an ordinance to approve the terms and conditions, and authorize execution by the Executive Director, of *Lease Amendment No. 10* ("*Lease Amendment*") to the *U.S. Government Lease for Real Property* ("*2011 Lease*") with the General Services Administration ("GSA") increasing the leased office space used by the Transportation Security Administration ("TSA") at Oakland International Airport ("OAK").

### **BACKGROUND**

Pursuant to the terms of the Aviation and Transportation Security Act of 2001, the TSA is required to deploy federal security screeners, managers, and federal law enforcement officers to conduct screening of all passengers, property, baggage, and cargo and to ensure perimeter access security at all airports. In order to carry out this mandate, it is necessary for the TSA to use certain airport space and facilities defined under federal law as "necessary security checkpoints." Pursuant to federal statute, airports are required to provide necessary security checkpoint space at no rent to the TSA. However, the statute does not obligate airports to provide rent-free space that serves to support these necessary security checkpoints.

The Port and the GSA (acting on behalf of the TSA) entered into a five-year agreement on October 1, 2002 ("*2002 Lease*") allowing the TSA to occupy a 335 square foot administrative office on the second floor/mezzanine of Terminal 1. During its term, and with Board authorization, the *2002 Lease* was amended multiple times to add additional spaces in various

locations to be used by the TSA for office, break, locker, and training rooms and the TSA's total leased premises grew to approximately 3,453 square feet. Upon expiration of the *2002 Lease*, the Port and GSA entered into a subsequent four-year agreement ("*2007 Lease*") under virtually the same terms and conditions of the *2002 Lease*.

Upon expiration of the *2007 Lease*, the Port and GSA entered into the current *2011 Lease* that updated the form agreement and extended the term for ten years, through September 30, 2021. During its term, and with Board authorization, the *2011 Lease* has been amended multiple times to consolidate TSA offices and add additional spaces in various locations growing the TSA's total leased premises to approximately 6,521 square feet. Pursuant to the *2011 Lease*, the GSA will continue to pay rental based on each current years' Rates & Charges Ordinance for the remainder of the ten-year term.

The TSA desires to occupy additional office space to provide for the relocation of its Terminal 1 employee breakroom. The *Lease Amendment* will amend the *2011 Lease* by adding 225 square feet of leased premises in Building M101 (Room M101-1046K) to the agreement.

### **ANALYSIS**

The TSA desires to relocate its Terminal 1 employee breakroom from modular building XU70 to room M101-1046K and will repurpose XU70 as a storage room.

The Port is obligated to perform minimal work in preparing the new space by patching and painting walls, cleaning the tile floor, replace or repair any non-functioning overhead light fixtures, and replacing any damaged ceiling tiles.

The *Lease Amendment* would add 225 square feet of office space as of July 1, 2018 to the *2011 Lease's* Premises. The rental rate under the current Rates & Charges ordinance for Category II: Office Space is \$25.183 per square foot per month resulting in additional revenue of \$5,666.17 per month and bringing the GSA's total rent to \$169,884.52 per month. The GSA will continue to pay rental based on each current years' Rates & Charges Ordinance for the remaining term of the *2011 Lease*. This additional revenue is anticipated in the FY2018-19 operating budget.

### **BUDGET & STAFFING**

The proposed action does not have any budget impact as this revenue is anticipated in the FY2018-19 operating budget. There is no staffing impact.

### **MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

## **STRATEGIC PLAN**

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Grow Net Revenue
- Improve Customer Service

## **LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements, do not apply to this agreement because the Transportation Security Administration is a government agency.

## **SUSTAINABILITY**

The tenant has not proposed any development for the leased area. If the tenant decides to develop the site in the future, the tenant must comply with the 2000 Sustainability Policy and complete the Sustainability Opportunities Assessment Form.

## **ENVIRONMENTAL**

Approving the terms and conditions, and authorizing execution by the Executive Director of *Lease Amendment No. 10* to the *U.S. Government Lease for Real Property* with the United States of America, General Services Administration, on behalf of the Transportation Security Administration has been determined to be categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, Article 19, Section 15301, Existing Facilities, which exempts the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. No further environmental review is required to take the recommended action in this Agenda Report.

## **GENERAL PLAN**

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

## **OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)**

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP) as it is not a capital improvement construction project.

## **OPTIONS**

1. Adopt an ordinance to approve *Lease Amendment No. 10* to the *U.S. Government Lease for Real Property* with the United States of America, General Services Administration, on behalf of the Transportation Security Administration, which increases the leased office space used by the TSA at Oakland International Airport by 225 square feet at a rental rate of \$5,666.17 per month (based on the current Rates and Charges Ordinance), which rental rate will adjust based on the then current Rates and Charges Ordinance, through September 30, 2021. This is the recommended action.
2. Adopt an ordinance approving alternative terms and conditions other than those outlined in this Agenda Report to increase the leased office space used by the TSA at Oakland International Airport and instruct staff to negotiate a revised *Lease Amendment No. 10* to incorporate these alternate terms and conditions and/or to identify alternative leasable space.
3. Do not approve the terms and conditions of the proposed *Amendment No. 10* with the United States of America, General Services Administration, on behalf of the Transportation Security Administration, which would result in the TSA's continued use of modular building XU70 as its Terminal 1 employee break room.

## **RECOMMENDATION**

Adopt an Ordinance approving the terms and conditions, and authorizing execution by the Executive Director of *Lease Amendment No. 10* to the *U.S. Government Lease for Real Property* with the United States of America, General Services Administration, on behalf of the Transportation Security Administration, which increases the leased office space used by the TSA at Oakland International Airport by 225 square feet at a rental rate of \$5,666.17 per month (based on the current Rates and Charges Ordinance), which rental rate will adjust based on the then current Rates and Charges Ordinance, through September 30, 2021, subject to approval as to form and legality by the Port Attorney.