



## Legislation Text

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**File #:** 15-362, **Version:** 1

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*Report Prepared by: Janet E. Young, Airport Manager, Merced Regional Airport*

**SUBJECT:** Merced Regional Airport Lease Renewal of Terminal Office Space for U.S. Department of Homeland Security, Transportation Security Administration (TSA)

### REPORT IN BRIEF

TSA seeks to renew the lease for office space in the terminal building of the Merced Regional Airport.

### RECOMMENDATION

**City Council** - Adopt a motion approving the lease agreement with Government Services Agency (GSA), an agent for the Transportation Security Administration (TSA); and authorizing the City Manager to execute the necessary documents.

### ALTERNATIVES

1. Adopt the motion as recommended by the Airport Authority; or,
2. Modify the action (specify in motion); or,
3. Deny the action.

### AUTHORITY

Charter of the City of Merced, Section 200.

### CITY COUNCIL PRIORITIES

This item aligns with the City Council priority for "Economic Development".

### DISCUSSION

The Merced Regional Airport has negotiated a lease renewal with the Government Services Agency (GSA) for office space the Transportation Security Administration (TSA) currently uses and occupies. The GSA form lease specifies a seven-year term, with the first two years firm. The lease provides for rent adjustment after the first year of the agreement based on the annual percent of change in the cost of living index. The agreement can be terminated by the government upon 60 days written notice for specific reasons.

Lease effective date shall be May 29, 2016.

The lease renewal will provide TSA the same 120 square feet of private office space and access to the airport terminal. The lease renewal also will increase the revenue from monthly rent from \$324.63 to \$340.00 per month, and the common area maintenance fee from \$50.00 to \$55.00 per month for janitorial service to non-exclusive-use areas of the premises, and utilities (electricity and natural gas) to both exclusive- and non-exclusive-use areas of the premises. The renewed lease

also will enable continued provision of a secure environment for the travelling public.

### **IMPACT ON CITY RESOURCES**

No appropriations from the general fund are associated with this lease.

### **ATTACHMENTS**

1. GSA Lease Agreement
2. Attachment A - Diagram Depicting Leased Space
3. GSA 3518A Form