





San Francisco International Airport

**MEMORANDUM**

October 5, 2021

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Eleanor Johns, Vice President  
Hon. Everett A. Hewlett, Jr.  
Hon. Jane Natoli  
Hon. Malcolm Yeung

21-0196  
OCT 5 2021

FROM: Airport Director

SUBJECT: Approval of Modification No. 2 to Lease No. GS-09P-LCA03395 with the United States of America to Extend the Term and Increase the Annual Rent for Offices Occupied by the U.S. Federal Bureau of Investigation

DIRECTOR'S RECOMMENDATION: APPROVE MODIFICATION NO. 2 TO LEASE NO. GS-09P-LCA03395 WITH THE UNITED STATES OF AMERICA TO EXTEND THE TERM OF THE LEASE BY THREE YEARS AND INCREASE THE ANNUAL RENT TO \$665,489.00 FOR OFFICES OCCUPIED BY THE U.S. FEDERAL BUREAU OF INVESTIGATION, AND DIRECTING THE COMMISSION SECRETARY TO FORWARD LEASE MODIFICATION NO. 2 TO THE BOARD OF SUPERVISORS FOR APPROVAL.

**Executive Summary**

The U.S. Federal Bureau of Investigation (FBI) currently occupies approximately 2,396 square feet of Category II space in the International Terminal at San Francisco International Airport (SFO or Airport) under Lease No. GS-09P-LCA03395 (Lease). The Lease expires on January 3, 2022, and the FBI wishes to continue occupancy for an additional three years. The proposed Lease modification (Modification) will extend the Lease term by three years and increase the annual rent to \$665,489.00.

**Background**

On October 13, 2015, by Resolution No. 15-0214, the Airport Commission (Commission) approved the Lease, providing approximately 2,396 square feet of Category II administrative office space on the fifth floor of the International Terminal South Shoulder Building (Premises) for the FBI. On January 26, 2016, by Resolution No. 16-16, the Board of Supervisors approved the Lease.

On November 6, 2018, by Resolution No. 18-0360, the Commission approved Lease Modification No. 1 extending the term by three years and increasing the annual rent. On February 5, 2019, by Resolution No. 62-19, the Board of Supervisors approved Lease Modification No. 1.

The current fixed annual rent is \$615,384.57. The Lease requires the Airport to provide maintenance, janitorial services, and utilities, including electricity and water. The Airport is reimbursed for the cost of these services by incorporation of an operating cost component into the rental rate, as more fully described below.

THIS PRINT COVERS CALENDAR ITEM NO. 5

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR    LARRY MAZZOLA PRESIDENT    ELEANOR JOHNS VICE PRESIDENT    EVERETT A. HEWLETT, JR.    JANE NATOLI    MALCOLM YEUNG    IVAR C. SATERO AIRPORT DIRECTOR

The FBI wishes to extend the Lease for three years, pursuant to the proposed Modification, and has agreed to increase the fixed annual rent to \$665,489.00.

### Proposal

Airport staff seeks approval of the proposed Modification No. 2 on the following business terms:

1. **Extension Term.** Three years, Firm.
2. **Effective Date.** January 4, 2022 through January 3, 2025.
3. **Annual Rent.** \$665,489.00 per year fixed for the Extension Term. This represents an increase of \$50,104.43 per year, or a total of \$150,313.29 over the Extension Term. Annual Rent is comprised of:
  - Category II Terminal Rent pursuant to current Airport Rates & Charges (\$255.21/SF/YR) and projected increases averaged over the three-year term.
  - Operating costs for maintenance, janitorial services, and utilities pursuant to Airport Facilities' current projections (\$12.81/SF/YR) and future increases averaged over the three-year term.

Initial rates and average rates are summarized below.

Rate Category	Three-Year Average Rate/SF/YR	Annual Rent
Category II Terminal Rent	\$263.90	\$632,304.40
Operating Cost	\$13.85	\$33,184.60
Total	\$277.75	\$665,489.00

The Resolution would also delegate authority to the Director to negotiate and execute the final form of Modification, subject to obtaining approval of the Board of Supervisors.

### Recommendation

I recommend adoption of the accompanying Resolution approving Modification No. 2 to the Lease and directing the Commission Secretary to forward the Modification to the Board of Supervisors for approval under Section 9.118 of the Charter of the City and County of San Francisco.



Ivar C. Satero  
Airport Director

Prepared by: Kevin Bumen  
Chief Commercial Officer

Attachments



Attachment A

PREMISES

LEASE NO. GS-09P-LCA03395 U.S. FEDERAL BUREAU OF INVESTIGATION

