FILE NO. 250162 RESOLUTION NO.

[Real Property Lease Renewal Amendment - Michael C. Mitchell - 837 Malcolm Road, Burlingame - Annual Base Rent $159,000]

Resolution authorizing a third amendment of Lease No. 09-0023 between Michael C. Mitchell, an individual, as Landlord, and the City and County of San Francisco, acting by and through its Airport Commission, as Tenant, extending the lease term for three years, for the period of May 1, 2025, through April 30, 2028, for a total term of April 21, 2009, through April 30, 2028, with two one-year options to further extend the term, and increasing the annual rental to $159,000 for the first year, and by 3% annual increases thereafter, for use by the San Francisco International Airport Reprographics Department at 837 Malcolm Road, Burlingame.

WHEREAS, The San Francisco International Airport (Airport) Reprographics Department (Reprographics) currently occupies approximately 6,000 square feet of office and industrial space at 837 Malcolm Road, Burlingame (Premises); and

WHEREAS, Reprographics provides full-service design, layout, art, production, large format printing, laminating, and mounting for the extensive graphics seen throughout the Airport; and

WHEREAS, On January 20, 2009, by Resolution No. 09-0023, the Airport Commission (Commission) approved Off-Airport Property Lease No. 09-0023 (Lease), providing the Premises to Reprographics to provide services to the Airport and City, for a base term of five years plus one three-year option to extend; and

WHEREAS, On October 26, 2010, by Resolution No. 10-0325, the Commission approved the First Amendment to the Lease, reducing the base rent and extending the initial five-year term for 14 months, to expire on April 30, 2015; and

WHEREAS, On October 14, 2014, the San Francisco Real Estate Division, on behalf of the Airport, exercised the three-year option to extend the Lease with a corresponding cost of living rent increase, effective May 1, 2015, through April 30, 2018; and

WHEREAS, On April 3, 2018, by Resolution No. 18-0105, the Commission approved the Second Amendment to the Lease providing for (i) an adjustment of base rent, (ii) a three percent annual base rent increase, (iii) a term extension through April 30, 2023, with two one-year options to extend (Extension Options), and (iv) certain tenant improvements constructed at the cost of the Airport; and

WHEREAS, On May 22, 2018, by Resolution No. 164-18, the Board of Supervisors approved the Second Amendment to the Lease; and

WHEREAS, On April 5, 2022, by Resolution No. 22-0054, the Commission approved the exercise of the first of two Extension Options, and extending the term through April 30, 2024; and

WHEREAS, On May 17, 2022, by Resolution No. 218-22, the Board of Supervisors approved the exercise of the first of two Extension Options; and

WHEREAS, On April 4, 2023, by Resolution No. 23-0091, the Commission approved the exercise of the second of two Extension Options, and extending the term through April 30, 2025; and

WHEREAS, On May 16, 2023, by Resolution No. 260-23, the Board of Supervisors approved the exercise of the second of two Extension Options; and

WHEREAS, The Airport desires to continue the rental of the Premises for use by Reprographics; and

WHEREAS, Airport staff negotiated the terms of the Third Amendment to the Lease (Third Amendment) with the Landlord to further extend the term of the Lease, with appropriate increases in annual base rent; and

WHEREAS, In connection with the negotiation of the Third Amendment, Airport staff consulted with the San Francisco Real Estate Division, which confirmed that the increased annual rental rate reflects fair market value; and

WHEREAS, On February 4, 2025, by Resolution 25-0020 the Commission approved the Third Amendment, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 250162, which is hereby declared to be part of this Resolution as if set forth fully herein; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the Third Amendment to Lease No. 09-0023, between Michael C. Mitchell and the City and County of San Francisco, acting by and through its Airport Commission, to 1) extend the Lease by three years through April 30, 2028, with two one-year options to further extend the term, exercisable by the Airport Commission, and 2) increase the annual rent to $159,000, with 3% annual increases thereafter; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Third Amendment to Lease being fully executed by all parties, the Airport Commission shall provide a copy of the final contract to the Clerk of the Board for inclusion into the official file.