

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 10-0325

**MODIFICATION NO. 1 OF LEASE L09-0023 FOR OFF-AIRPORT PROPERTY AT 837 MALCOLM ROAD, BURLINGAME, CALIFORNIA TO REDUCE THE RENT AND EXTEND THE TERM OF THE LEASE**

**WHEREAS,** On January 20, 2009, pursuant to Resolution No. 09-0023, the Airport Commission approved an off-Airport property lease L09-0023 (the "Lease") with Michael C. Mitchell (the "Landlord"), for six thousand (6,000) square feet of industrial space suitable for the Airport's Reprographics Department, located at 837 Malcolm Road, Burlingame, California; and

**WHEREAS,** The Lease provides for an annual Base Rent of \$84,960 and a term of five (5) years, expiring on February 28, 2014. The Airport also pays \$7,200 per year to reimburse the Landlord for certain tenant improvements (the "TI Surcharge"); and

**WHEREAS,** Due to the City's current budget deficit, the City's Real Estate Division has asked each City department to consider renegotiation of any active leases to reduce City paid rents; and

**WHEREAS,** The Real Estate Division has offered, and the Landlord has accepted, a rent reduction equal to \$4,608 per year (\$384 per month) for the remainder of the Term, as modified, based on a five percent (5%) reduction in the Base Rent and TI Surcharge effective November 1, 2010 in exchange for a fourteen (14) month extension of the Term of the Lease through April 30, 2015, pursuant to Modification No. 1 to the Lease; and

**WHEREAS,** The cumulative savings to the Airport will be approximately \$20,736, assuming an effective date of November 1, 2010 through April 30, 2015, the expiration of the Term; and

**WHEREAS,** The proposed Modification No. 1 is deemed to be in the best interest of the City; now therefore be it

**RESOLVED,** that the Airport Commission hereby approves Modification No. 1 to the Lease with Michael C. Mitchell to reduce the Base Rent and TI Surcharge and extend the Term of the Lease by fourteen (14) months, effective November 1, 2010, in accordance with terms set forth above and in the Director's Memorandum.

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* OCT 26 2010

  
Secretary