



Commission Meeting

May 16, 2023

Lease Agreement with Transportation Security Administration

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| Department: | Augusta Regional Airport |
| Presenter: | Herbert Judon |
| Caption: | Motion to approve the Lease Agreement with Transportation Security Administration (TSA) for Office and Training Space in the Augusta Regional Airport Terminal. Approved by the Augusta Aviation Commission on April 27, 2023. (Approved by Public Services Committee May 9, 2023) |
| Background: | The TSA entered into a lease agreement with the Airport in September 2008. The lease was a five (5) year term which expired in 2013. The Aviation Commission approved a subsequent lease with a new five (5) year term which included an automatic option to renew for a second five (5) year term. That agreement is nearing the expiration date. Staff has negotiated a new agreement with the same term – a five-year initial agreement with an automatic five-year renewal option. |
| Analysis: | The lease agreement is the standard General Services Administration (GSA) lease. The rental rate will increase by the annual Consumer Price Index (CPI) every year. Janitorial and other miscellaneous services were negotiated into the agreement at a rate of \$5.00 per square foot per year which will also be adjusted annually. Additionally, the TSA negotiated a cost to repaint and recarpet their office spaces at the start of each five-year term. They asked for the additional costs to be rolled into their terminal rental rate, which has caused their rental rate to be higher than the other Airport tenants. |
| Financial Impact: | This is a revenue agreement. The rental rate will increase from \$68,700 to \$71,873 per year with an additional \$8,765 for janitorial and miscellaneous services for a total of \$80,638 per year. |
| Alternatives: | To deny. |
| Recommendation: | Recommend Approval. Approved by the Augusta Aviation Commission on April 27, 2023. |
| Funds are available in the following accounts: | N/A |
| <u>REVIEWED AND APPROVED BY:</u> | N/A |