

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.(16) April 27, 2016

ITEM:

Consideration of approving an extension of The Lloyd and Agnes DeSouza 1993 Revocable Trust u/a/d 12-3-93 Thirty Year lease dated May 1, 1985, expiring April 30, 2015, as amended, located at 750 Mullet Road. The extension document containing the recommended terms has been reviewed and approved by General Counsel and Port Attorney. (Denig/Shepard)

EXPLANATION:

At the November 18, 2015 Commission Meeting Commissioner Deardoff made the following motion, Commission Evans seconded the motion and the motion passed 5-0:

*"Let them have the six month extension at the current lease rate **provided** we get a copy of the sub-lease from the Navy by the end of this month. If it extends any longer than the six months we will expect to split the difference on any future extensions."*

The Premises is comprised of two buildings. Bldg. #1 is a 10,000 SF freestanding building and used by the Lessee. Bldg. #2 is a 4800 SF freestanding warehouse building located on the rear of the property and is used by The Navy.

Background Information

Lease expired: April 30, 2015

Lease was extended for six (6) months to: October 31, 2015

Lease was further extend for six (6) months and expires on April 30, 2016.

The last six month extension was approved by the CPA Commission to allow the Navy to remain in the 4800 SF Rear Building while it completes its relocation.

Conditions of the extension:

- 1) The Port would receive a copy of the sub- lease between Desouza and the Navy.
- 2) Any further considered extension past April 30, 2016 would be based upon a sharing of the Navy lease revenue. The sharing would be based up a 50/50 split.

Request by Desouza:

Request the Port consider further extending the lease to allow the Navy additional time to complete the relocation. Request a period of up to one year.

Recommendation by Staff:

Staff recommends extending the lease through December 31, 2016 at the current Land Lease Policy rate of \$.45 sf.

Staff Recommends Approval
Prepared by: Denig/Shepard

dd/ss