

**CITY COUNCIL ACTION REQUEST**

<b>Department(s):</b> Airport	<b>CEQA:</b> Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	<b>Coordination:</b> Department of Transportation, City Manager’s Budget Office, City Attorney’s Office	<b>Dept. Approval:</b> /s/ John Aitken
<b>Council District(s):</b> Citywide			<b>CMO Approval:</b>  11/4/2021

**SUBJECT: AMENDMENT TO THE GROUND LEASE AGREEMENT BETWEEN THE CITY OF SAN JOSE AND OUR CITY FOREST**

**RECOMMENDATION:**

- (a) Approve the Second Amendment to the Ground Lease Agreement with Our City Forest to retroactively extend the term for one year, from May 1, 2021 through April 30, 2022,
- (b) Adopt a resolution authorizing the Director of Aviation to negotiate and execute up to five one-year options to extend the term of the Lease through April 30, 2027 on the same terms and conditions.

**BASIS FOR RECOMMENDATION:**

Our City Forest is a Silicon Valley based urban forestry and environmental stewardship non-profit organization that has planted thousands of trees on public and private property in the City of San Jose since its inception in 1994. Our City Forest manages a non-profit Community Nursery and Training Center at 1000 Spring Street, San Jose, CA 95110 where thousands of trees, shrubs, and grass species have been planted on the site in addition to teaching the community about agriculture.

On December 12, 2018, the Norman Y. Mineta San Jose International Airport (“Airport”) and Our City Forest entered into a one-year Ground Lease, with two one-year Options to Extend. Both Options to Extend for the original ground lease were executed by the City on July 16, 2019 and March 26, 2020, respectively.

The Community Nursery is on Airport property that was purchased with Federal Aviation Administration (“FAA”) funds, and per FAA regulations, property purchased with FAA funds must be leased at market value. To support the operations of Our City Forest, a community oriented non-profit organization, the City’s Department of Transportation (“DOT”) has subsidized Our City Forest’s lease payments through the original term and the two Options to Extend years.

Our City Forest is seeking to extend this lease, and City staff desire to continue to lease space for Our City Forest’s services to the community. DOT has committed to continue subsidizing Our City Forest’s lease for one year and will determine if they can commit to future years annually as funds become available. To allow DOT time to determine if they can continue to subsidize the program, the City desires to add five (5) Options to Extend to the term of the Lease.

CLIMATE SMART SAN JOSE

The recommendation in this memo has no effect on Climate Smart San Jose energy, water, or mobility goals.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

**COST AND FUNDING SOURCE:**

The DOT is subsidizing Our City Forest's entire lease payments for FY 2021-2022. The options to extend are subject to the annual allocation of funds for this purpose.

**FOR QUESTIONS CONTACT:** John Aitken, A.A.E., Director of Aviation at (408) 392-3610.