


CITY COUNCIL ACTION REQUEST

Department(s): Airport	CEQA: Not a Project, File No. PP17-003, Lease of existing space for the same use.	Coordination: CMO's Budget Office, City Attorney's Office	Dept. Approval: /s/ John Aitken
Council District(s): City-wide			CMO Approval: 

SUBJECT: FIRST AMENDMENT TO THE LEASE OF AIRPORT PREMISES AGREEMENT BETWEEN THE CITY OF SAN JOSE AND SWISSPORT FUELING, INC.

RECOMMENDATION:

Approve the First Amendment to the Lease of Airport Premises ("Lease") between the City of San José and Swissport Fueling, Inc. to extend its agreement for an additional five years to March 31, 2023.

BASIS FOR RECOMMENDATION:

On April 15, 2015, the Director of Aviation executed a Lease of Airport Premises ("Agreement") with Swissport Fueling, Inc., under the authorization contained in Section 25.08.1340 of the San Jose Municipal Code. The Agreement authorizes use of Airport premises for the purposes of storage, office space, into-plane jet fuel truck maintenance and repair, and parking for into-plane jet fuel trucks and equipment. The Agreement recently expired on March 31, 2018 and is currently in holdover.

The Airport recommends extending the Agreement for five years, in order for Swissport Fueling, Inc., to continue using the facility for authorized uses. Swissport Fueling, Inc. is in good financial and operational standing with the Airport and extending the lease agreement provides continuity and infrastructure to support provision of jet fueling services to Airlines operating at SJC. The agreement is terminable with 30 days' notice by either party.

Swissport currently pays \$384,719 annually, and extending the agreement will exceed the contract authority of the Director of Aviation both in the term of the agreement (8 years) and the value of the agreement (\$3,077,752 payable to the City over the 8-year term).

COST AND FUNDING SOURCE:

None

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