COUNCIL AGENDA: 8/26/25
FILE: 25-879
ITEM: 2.7

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

CITY COUNCIL ACTION REQUEST

DEPARTMENT(S)	CEQA	COORDINATION	Director Approval
Airport	Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	City Attorney's Office and City Manager's Budget Office	/s/ Mukesh (Mookie) Patel
COUNCIL DISTRICT(S) Citywide			**CMO Approval** 8/7/25

SUBJECT: Amendment to Department of General Services Lease of Airport Premises

RECOMMENDATION

Adopt a resolution delegating authority to the City Manager or her designee to negotiate and execute the second amendment to the lease agreement between the City of San José and the Department of General Services for the buildings located at 1431 and 1433 Airport Boulevard to add five one-year options to extend the term and implement annual rate adjustments. The first extension option will take effect retroactively from July 1, 2025. The final option, if exercised, will extend the lease through June 30, 2030.

BASIS FOR RECOMMENDATION

On April 19, 2023, the City of San José entered into a 14-month lease of airport premises with the Department of General Services on behalf of the Department of Forestry and Fire Protection (Cal Fire) to provide space for their wildfire suppression and emergency response operations. On July 1, 2024, the City of San José and the Department of General Services executed a first amendment to extend the lease term for one year, through June 30, 2025.

The leased premises provide Cal Fire with essential space for fire trucks, staging equipment and coordinating emergency response activities. Continuation of this lease supports regional public safety and emergency preparedness efforts. In addition to its operational value, the lease generates approximately $146,193 in annual revenue for the Airport, totaling an estimated $730,965 over the potential five-year extension period.

Staff recommends adopting a resolution authorizing the City Manager or her designee to negotiate and execute up to five one-year options to extend the lease term at the Airport. Each extension will be at the current Airport lease rates, adjusted annually by the CPI index, and will maintain the existing terms and conditions. The first option to extend will start retroactively on July 1, 2025, through June 30, 2026. The lease is terminable by either party at any time during the term by 90 days written notice. This approach offers Cal Fire continued operational stability while allowing the Airport to adjust the annual rate based on the CPI index.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE

There are no costs associated with this action and revenue for this agreement and five options to extend is estimated at $730,966.

FOR QUESTIONS CONTACT: Matthew Kazmierczak, Division Manager, Airport Department, at mkazmierczak@sjc.org or (408) 392-3640