


CITY COUNCIL ACTION REQUEST			
DEPARTMENT(S) Airport	CEQA Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.	COORDINATION City Attorney's Office and City Manager's Budget Office	Director Approval /s/ Mukesh (Mookie) Patel
COUNCIL DISTRICT(S) Citywide			CMO Approval  5/28/25
SUBJECT: Amendment to the Lease of Airport Premises with MAC Cargo Handling, LLC for Air Cargo Operations			
RECOMMENDATION			
Adopt a resolution authorizing the City Manager or her designee to negotiate and execute the fourth amendment to the lease of airport premises agreement between the City of San José and MAC Cargo Handling SJC, LLC, retroactively to May 1, 2025, to extend the term for an additional three years through April 30, 2028, at the San José Mineta International Airport.			
BASIS FOR RECOMMENDATION			
<p>On April 18, 2016, the City entered into a three-year lease of airport premises to conduct air cargo operations in support of the airlines, from the air freight Building at 1521 Airport Blvd. Subsequently, Mercury Air Cargo, Inc. officially changed their name to MAC Cargo Handling SJC, LLC, as memorialized in the first amendment executed on September 28, 2018. Subsequently, MAC Cargo and the City entered into a second amendment to extend the term through April 17, 2022, and a third amendment to extend the term through April 30, 2025.</p> <p>The lease of airport premises generates approximately \$199,296, annually, or approximately \$597,888 over the three-year term, and plays a vital role in providing air cargo services to the airlines by supporting underwing cargo operations for several airlines at the Airport. Many airlines hire third-party companies to perform certain tasks of their commercial operations at airports. Allowing MAC Cargo to continue occupying the building aligns with the Airport's best interests, ensuring uninterrupted and efficient cargo handling services.</p> <p>Delegating authority to the City Manager or her designee will allow the City to amend the lease of airport premises retroactively to May 1, 2025, and to extend the term by three years through April 30, 2028.</p>			
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 the revenue for the three-year extension of this agreement is estimated at \$597,888.			
FOR QUESTIONS CONTACT: Matthew Kazmierczak, Division Manager, Airport Department at (408) 392-3600.			