

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, City Manager's Budget Office	Dept. Approval: /s/ John Aitken
Council District(s): Citywide			CMO Approval:  11-2-17

SUBJECT: APPROVAL OF THE FIRST AMENDMENT BETWEEN THE CITY OF SAN JOSÉ AND SJ AUTOMOTIVE, LLC dba LEXUS OF STEVENS CREEK

RECOMMENDATION:

Approve a First Amendment to the Lease of Airport Premises between the City of San José and SJ Automotive, LLC dba Lexus of Stevens Creek ("Lexus") to extend the term of its Lease through December 31, 2021, to allow Lexus to continue to park vehicles in a former Airport long term parking lot.

BASIS FOR RECOMMENDATION:

On December 18, 2012, the Director of Aviation executed a Lease of Airport Premises ("Agreement") under the authorization contained in Section 25.08.1340 of the San José Municipal Code. The Agreement expired on December 31, 2016 and has been in holdover (automatically converted to a month to month tenancy with the same terms and conditions as provided under California Law) until the Airport could determine the immediate future use of the property. The area is currently leased to three tenants for parking excess vehicles and, in the future, will be developed into general aviation facilities. The future general aviation use has been delayed and as such this agreement needs to be extended. The agreement is terminable with thirty (30) days' notice by either party and Lexus currently pays the City \$11,451 per month.

COST AND FUNDING SOURCE:

No cost associated with this Lease Amendment.

FOR QUESTIONS CONTACT: Kim Hawk, Dep. Director of Finance & Administration, (408) 392-1141