



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Frank Kirkbride

SUBJECT: ACM AVIATION SERVICES, LLC
CONTINUATION AGREEMENT

DATE: April 29, 2005

Approved

Date

5/5/05

Council District: Citywide

RECOMMENDATION

Approval of a First Amendment and Continuation Agreement to extend the term of the Lease of Airport Premises with ACM Aviation Services, LLC for employee vehicle parking located at 1455 Airport Boulevard from March 1, 2005 to June 30, 2007 with annual rent payable to the City in the amount of \$19,494.

BACKGROUND

ACM Aviation Services, LLC, which is the successor to ACM Aviation, Inc. has been a fixed base operator (FBO) at Mineta San Jose International Airport since 1981, providing general aviation services such as aircraft hangar and tie down storage, aircraft fueling, charter operations, and maintenance services. ACM currently leases approximately four acres located on the southeast side of the Airport at 1475 Airport. ACM also leases approximately 8,900 SF located at 1455 Airport Boulevard for its employee vehicle parking, which has been on a month-to-month holdover since February 28, 2005.

ANALYSIS

ACM's employee base supports operations at its fixed base operation at 1475 Airport Boulevard and hangars at 1455 Airport Boulevard. This Parking Lease is required for employee parking.

The Lease for ACM's FBO operations at 1475 Airport Boulevard is set to expire on June 30, 2006. Consistent with the Airport Master Plan, ACM will relocate its FBO operations to the Westside of the Airport under the terms and conditions of a Fixed Base Operator Ground Lease and Operating Agreement between the City of San Jose and ACM Aviation, Inc. dated April 29, 2003. Until such time, ACM's will continue full operation at its Eastside premises and require on-site parking for its employee's vehicles. The Agreement for ACM's lease and operations for its future Westside location includes a provision to extend the expiration date of the existing

Lease for the Eastside location. The expiration date for ACM's Eastside FBO and Operating Agreement will automatically extend up to two years from the delivery date of the Westside premises to allow time for relocation of its operations to the Westside. Delivery of the Westside premises is anticipated in June 2005.

The proposed First Amendment and Continuation Agreement provides that the term of the Parking Lease will be extended and will end concurrently with the termination of the Lease for ACM's FBO operations at 1475 Airport Boulevard, and in no event later than June 30, 2007.

OUTCOME

If approved, the City will continue to receive \$1,624.50 per month and ACM will continue to offer on-site parking to its employees.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This agreement has been coordinated with Risk Management, Airport Planning and City of San Jose Attorney's Office.

BUDGET IMPLICATIONS

This agreement is anticipated to provide \$19,494 in annual revenue to the City.

CEQA

Resolution No. 67380 and 71451, PP 05-052



FRANK KIRKBRIDE
Acting Director of Aviation