



COUNCIL AGENDA: 11-16-04

ITEM: 2.5

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ralph G. Tonseth

SUBJECT: FIRST AMENDMENT TO
LEASE OF AIRPORT PREMISES,
AIRPORT GROUP INTERNATIONAL

DATE: October 27, 2004

Approved

Date

11/2/04

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approval of a First Amendment to Lease of Airport Premises between the City of San José and Airport Group International, Inc. to assign the Lease to Airport Group International, LLC and to consent to an ownership transfer to AGI (US) Holdings LLC, a wholly owned indirect subsidiary of TBI, plc, a company organized under the laws of England.

BACKGROUND

Airport Group International, Inc. (AGI Inc.) provides Ground Handling and Fueling services at the Norman Y. Mineta San José International Airport under various agreements including a Lease of Airport Premises between the City of San José and AGI Inc. approved by council on May 20, 2003. AGI Inc., prior to October 12, 2004 was a wholly owned subsidiary of TBI US, Inc., a wholly owned indirect subsidiary of TBI, plc, a company organized under the laws of England.

ANALYSIS

AGI has requested the City's permission to change its name and its form of entity effective October 12, 2004. Airport Group International, Inc. wishes to change its name to Airport Group International, LLC, a Delaware limited liability company authorized to do business in California.

Airport Group International, Inc. also wishes to transfer ownership of the company from TBI US, Inc. to AGI (US) Holdings, LLC.

The Lease Agreement requires that the City consent to any assignment or ownership change of the tenant. AGI is current on all of its obligations under the Lease Agreement, and all

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obligations of AGI will remain unchanged upon approval of the name and ownership changes. Either party may terminate the Lease Agreement at any time upon 30-days' notice.

COORDINATION

This item has been coordinated with the City Attorney's Office.

CEQA

Resolution Nos. 67380 and 71451 PP#: 04-285

Frank Kirkbride

for

RALPH G. TONSETH
Director of Aviation, Airport

RGT:sr