

RESOLUTION NO. 73152

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE DIRECTOR OF AVIATION TO NEGOTIATE AND EXECUTE ANY AMENDMENTS TO THE FUEL FARM GROUND LEASE AND OPERATING AGREEMENT WITH SJC FUEL COMPANY, LLC TO REDUCE THE SIZE OF THE LEASEHOLD PREMISES AT NO CHANGE IN THE RENT PER SQUARE FOOT

WHEREAS, it is a mutual goal of both the Norman Y. Mineta San Jose International Airport ("Airport") and the airlines serving the Airport to provide access to an efficient Fuel Farm Facility at the lowest rate possible; and

WHEREAS, the airlines serving the Airport have agreed to form a Consortium as a separate entity to fund and oversee the construction and operation of the facility; and

WHEREAS, the Fuel Farm Ground Lease and Operating Agreement between the City of San Jose and SJC Fuel Company, LLC defines the Leased Premises and construction provisions for the development of a fuel receipt, storage and delivery system; and

WHEREAS, the Consortium's project design phase, subsequent to execution of the ground lease, may support an alternative system that is superior to the current proposal under the ground lease; and

WHEREAS, in the event that the Director of Aviation approves the alternative system, the Consortium would require a smaller leasehold space than currently planned;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The Director of Aviation is authorized to negotiate and execute any amendments to the Fuel Farm Ground Lease and Operating Agreement with SJC Fuel Company, LLC to reduce the size of the leasehold premises at no change in the rent per square foot, as necessary to reflect changes in the plans and specifications for the fuel storage facility, as such changes may be approved by the Director of Aviation.

ADOPTED this 2nd day of May, 2006, by the following vote:

AYES: CAMPOS, CHIRCO, CORTESE, LeZOTTE, NGUYEN,
PYLE, REED, WILLIAMS, YEAGER, CHAVEZ

NOES: NONE

ABSENT: GONZALES

DISQUALIFIED: NONE

CINDY CHAVEZ
Vice Mayor

ATTEST:

LEE PRICE, MMC
City Clerk