

RESOLUTION NO. 74250

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE GROUND LEASE WITH SJC FUEL COMPANY, LLC FOR FUEL SYSTEM AT THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT TO RELOCATE THE FUEL DISPENSING AREA AT A COST OF \$1.435 MILLION, TO EXPAND THE SIZE OF THE PREMISES WITH A CORRESPONDING RENTAL INCREASE OF \$1.565 MILLION OVER THE TERM OF THE AGREEMENT, AND TO ALLOW FOR CHANGES IN THE DESIGN OF THE FUEL SYSTEM

WHEREAS, the Agreement for development and operation of the new airline fuel storage and dispensing facility between the City of San Jose ("City") and SJC Fuel Company, LLC ("SJC Fuel Company") was approved by the San Jose City Council ("Council") on May 2, 2006; and

WHEREAS, the Norman Y. Mineta San Jose International Airport ("Airport") and SJC Fuel Company have worked closely during the design phase of the fuel storage and dispensing facility and several concerns have been identified with the existing fuel dispensing area that negatively impact the Airport; and

WHEREAS, the Airport has identified an alternate fuel dispensing site located at an obsolete taxi staging area; and

WHEREAS, SJC Fuel Company is agreeable to this change if the City reimburses them for the increase in design and construction costs associated with changing sites; and

WHEREAS, SJC Fuel Company has proposed certain changes to elements of the fuel system, including the initial number of fuel storage tanks and off-load rack positions and removing the redundant pipeline requirement;

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

The City Manager is hereby authorized to negotiate and execute a First Amendment to the SJC Fuel Company, LLC Ground Lease for Fuel System at the Norman Y. Mineta San Jose International Airport to relocate the fuel dispensing area at a cost of \$1.435 million, to expand the size of the premises with a corresponding rental increase of \$1.565 million over the term of the Agreement, and to allow for changes in the design of the fuel system.

ADOPTED this 26th day of February, 2008, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS, CORTESE
NOES:	NONE
ABSENT:	REED.
DISQUALIFIED:	NONE

DAVID CORTESE
Vice Mayor

ATTEST:

LEE PRICE, MMC
City Clerk