

RESOLUTION NO. 74556

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AMENDMENTS TO THE AIRLINE-AIRPORT LEASE AND OPERATING AGREEMENTS WITH ALL PASSENGER AIRLINES OPERATING AT THE NORMAN Y. MINETA SAN JOSÉ INTERNATIONAL AIRPORT AND FIRST AMENDMENTS TO THE AIRLINE-AIRPORT CARGO OPERATING AGREEMENTS WITH ALL CARGO AIRLINES OPERATING AT THE AIRPORT

WHEREAS, the current Norman Y. Mineta San José International Airport Airline-Airport Lease and Operating Agreements include a revenue sharing provision to evenly divide net, unobligated Airport revenues between the Airport and the airlines currently operating at the Airport after each fiscal year; and

WHEREAS, if net revenues exceed the projected levels outlined in the Airport Forecast identified in the Airline Agreements, then the airlines' share of the difference will be deposited into a Rate Stabilization Fund up to a cap of \$9 million; and

WHEREAS, in the interest of the positive partnership between the Airport and its carriers, staff recommends the use of \$2.17 million currently allocated to the Rate Stabilization Fund reserve to reduce 2008-2009 Terminal Rental Rates;

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

The City Manager is authorized to negotiate and execute amendments to the Airline-Airport Lease and Operating Agreements with all passenger airlines operating at the Norman Y. Mineta San José International Airport and First Amendments to the Airline-

Airport Cargo Operating Agreements with all cargo airlines operating at the Airport, to use a portion of the City's Airline Rate Stabilization Fund in an amount not-to-exceed \$2,172,000 to reduce projected 2008-2009 terminal rents below the projected terminal rental rates included in the Adopted 2008-2009 Airport budget, retroactive to July 1, 2008.

ADOPTED this 19th day of August, 2008, by the following vote:

AYES: CHIRCO, CHU, CONSTANT, CORTESE, LICCARDO,
NGUYEN, OLIVERIO, PYLE, WILLIAMS, REED.

NOES: NONE.

ABSENT: CAMPOS.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk