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Memorandum
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**TO: HONORABLE MAYOR
AND COUNCIL**

FROM: William F. Sherry, A.A.E.

**SUBJECT: Expiration of San José State
University Lease of Airport
Facilities**

DATE: December 7, 2009

Approved 

Date 12/7/09

INFORMATION

DISCUSSION

The City and the State of California, on behalf of San José State of San José State University (SJSU), entered into a fifty-year lease in June 1960 with the goal of developing an aeronautical laboratory to be operated by SJSU. The SJSU facility is located on just over five acres in the southwest corner of the Airport's property near the corner of Airport Boulevard and Coleman Avenue. The lease expires on June 30, 2010.

The Airport worked with the University for several years in an effort to address their needs at the site. Through discussion, it became clear that the University was reassessing the nature of its aviation program. That development, combined with the state's severe budgetary issues, made it increasingly clear the facility no longer served the best interests of the aviation program or its students. Given these developments, Airport staff concluded the Airport has a responsibility to explore other options for the highest and best use of the site. For that reason, in September 2009, the City provided the University with formal notice that the lease would not be extended after it expires next June because the Airport wants to explore the possibility of new development opportunities for this section of the Airport property.

The City gave early notice to provide the University with as much time as possible to clear the property of facilities and equipment by December 27, 2010, as required by the lease. The University acknowledged the City's notice, expressed its awareness of the expiration date and stated its intent to vacate and restore the property.

As part of the transition, the City has offered to assist the University in several ways. These include:

1. Making conference room space available to the University in the new terminal facilities for classroom sessions in the Airport environment, as circumstances allow.
2. Making office space at the Airport available to the University at standard lease rates.

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3. Helping the University to find hangar and ramp space for students to conduct aviation-related field work.
4. Continuing to partner with the University on other joint opportunities, such as cooperative research, obtaining guest lecturers, and other support as opportunities are identified.

The University is reviewing these offers of assistance and staff expects to continue this mutual exploration in the coming months.

/s/

William F. Sherry, A.A.E.

Director of Aviation

For questions or more information, please contact Jim Webb, Director of Government Relations and Legislative Affairs, at (408) 501-7600 or David Vossbrink, Director of Communications, at (408) 501-7656.