

County of Santa Clara

Roads & Airports Department

Airports Division
Reid-Hillview & San Martin Airports
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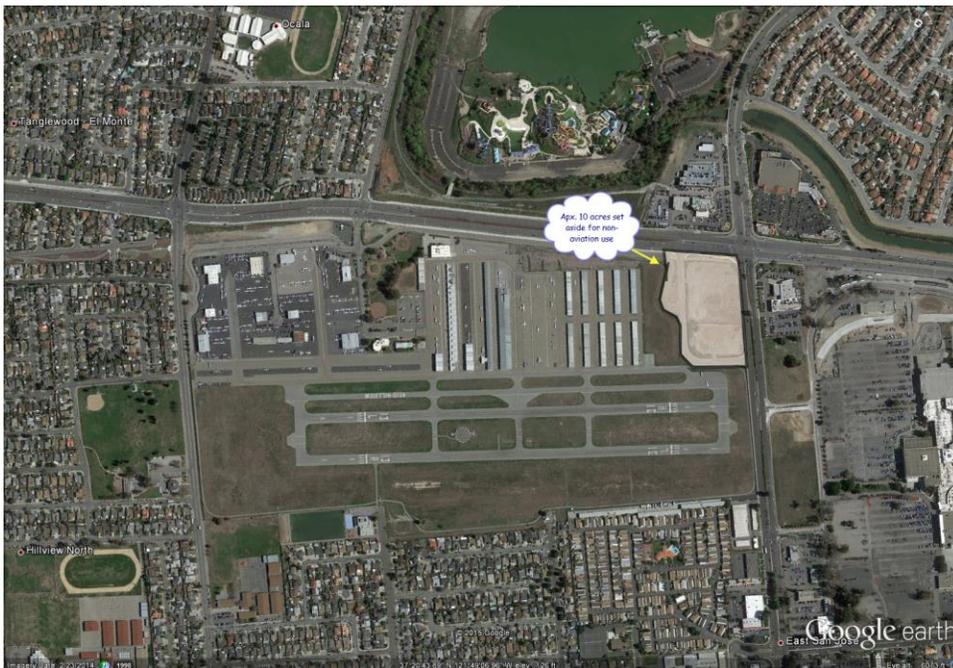


February 26, 2015

Robert Lee
FAA ADO Office
1000 Marina Blvd., Suite 220
Brisbane, CA 94005-1853
Sent via e-mail

Dear Mr. Lee:

The County of Santa Clara is the owner and sponsor for Reid-Hillview (RHV) and San Martin (E16) airports in the San Jose area. As such we are tasked with the responsibility to operate these airports in a manner to best maximize revenue while providing all the necessary aviation services required of our constituents. For many years now, a parcel of property at the south east corner of RHV (see image below) has been depicted on our ALP as non-aviation commercial use. It is to that end that I write you today.



During our Master Plan update of 2007 it was determined that given the aviation forecast, all anticipated demand for aviation services at RHV could be provided on the existing footprint without the need to expand current aircraft parking or FBO property. Any additional growth demand beyond that anticipated in the Master Plan would be funneled to San Martin airport. Since 2007, aviation use at the airport has dropped dramatically, resulting in lower than anticipated revenue, all while costs continue to increase.

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Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Without any foreseeable change in the near future for small GA, the County finds itself in the untenable position of running two airports that very soon will not be able to support themselves. Fortunately, the parcel of property we would like to develop is on a very busy intersection in San Jose, and represents a fairly large revenue source for the airports division that will not only help us maintain fiscal solvency but will provide the funding necessary to complete many airport modernization and infrastructure repairs that are not AIP eligible.

The parcel of property was originally purchased by the County around 1963 as part of the initial development project shortly after the County purchased the airport from the Reid brothers in 1961. In 1963 the County requested federal participation in the purchase of this property and was subsequently granted \$384,878.00 dollars as part of project 9-04-125-D402 . At some point following purchase of the property, a side-road was built on the property bisecting it from the rest of the airport. It was the intention at the time to build an overpass at the intersection of Tully and Capitol and using the side-road as access between the two roads. The project never came to fruition and the property has sat vacant for the past 40+ years.

An environmental review was recently completed on the property with no significant negative findings. Additionally, the city of San Jose has rezoned the property for commercial development. The County has a consultant working on an RFP for development of the parcel that we would like to have available in the next couple months. As part of the RFP process, the consultant will provide an updated property appraisal to ensure we are getting market value.

Our intent is to take the highest and best use bidder that can develop the property in compliance with all the airspace and safety area restrictions. Until we have received bids on the development we will not know what that design will look like. We have been contacted by many developers over the years, including representatives from auto dealers, big box grocery store and oil companies. Our best guess at this point is the property will either be retail or an auto dealer. Beshoff Motors has two of the other three corners – a Mercedes Dealership and an Audi dealership- and has expressed great desire in the property.

Due to the obligations on this property as a result of the federal participation, I would like to get FAA concurrence to release this property for non-aviation commercial development, with the understanding that the property will be leased –not sold- and that all revenue from said property will be deposited into the Airport Enterprise Fund (AEF) for use at either RHV or E16. Please let me know what the next step will be to obtain FAA release of this property.

I can be reached at x27722 or via email at eric@countyairports.net. I look forward to your reply.

Best Wishes,



Eric Peterson

Acting Director County Airports