

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to a Los Angeles World Airports (LAWA) Amended and Restated Terminal Facility Lease and License Agreement with Alaska Airlines, Inc., for the continued use and consolidation of additional space and improvements at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAWA Amended and Restated Terminal Facility Lease and License Agreement LAA-8581 with Alaska Airlines, Inc., for the continued use and consolidation of additional space and improvements at LAX Terminal No. 6 through January 1, 2028 for an annual estimated rent of \$23,000,000.
3. CONCUR with the action taken by the Board of Airport Commissioners on May 2, 2019, by Resolution No. 26757, authorizing the Chief Executive Officer, LAWA, to execute the aforementioned Amended and Restated Terminal Facility Lease and License Agreement LAA-8581 with Alaska Airlines, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the Amended and Restated Lease and License Agreement with Alaska Air Group, Inc., to modify the space rental rates at LAX's Terminal No. 6 and extend the current 10-year lease by approximately six years to allow Alaska Airlines, Inc., to make improvements to and upgrade the terminal's security screening, hold rooms, and layout will result in approximately \$23,000,000 in rental revenue being generated for LAWA during the first year and approximately \$196,000,000 over the six-year term. The agreement complies with LAWA's adopted financial policies. There is no appropriation of funds being requested.

Community Impact Statement: None submitted.

TIME LIMIT FILE – JUNE 10, 2019

(LAST DAY FOR COUNCIL ACTION – JUNE 7, 2019)

SUMMARY

In a report to the Mayor dated May 8, 2019, the CAO states that LAWA requests authority to execute an Amended and Restated Lease and License Agreement with Alaska Airlines for 102,675 square feet of space in Terminal 6 at LAX. The amendment will modify the space rental rates and extend the current 10-year lease agreement by approximately six years to January 1, 2028 to allow Alaska Airlines to make improvements to and upgrade the terminal's security screening, layout, boarding gates and boarding bridges, holdrooms, lounge access, and an aircraft parking apron. The CAO reports that the proposed term extension will generate approximately \$23,000,000 in revenue during the first year of the lease and approximately \$196,000,000 over the six-year term. The proposed amendment will increase Alaska Airlines'

current space by 35,265 square feet by consolidating space formerly leased by Virgin America Airlines.

On May 2, 2019, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At its meeting held May 21, 2019, the Trade, Travel, and Tourism recommended that Council approve the proposed agreement with Alaska Airlines, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink, appearing to be 'J. M.', written over the printed text of the committee name.

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	YES
KREKORIAN:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-