



RESOLUTION NO. 26515

WHEREAS, on recommendation of Management, there was presented for approval, updated fifty (50)-year Lease with the City of Los Angeles Department of Public Works, Bureau of Sanitation to reflect an increase in Los Angeles World Airports' capital participation for total contribution of \$14,777,862 for the Argo Drain Sub-Basin Storm Water Facility at Los Angeles International Airport; and

**LAX**  
**Van Nuys**  
**City of Los Angeles**

Eric Garcetti  
Mayor

**Board of Airport  
Commissioners**

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Dr. Cynthia A. Telles

Deborah Flint  
Chief Executive Officer

WHEREAS, Los Angeles World Airports (LAWA) entered into a Memorandum of Understanding (MOU) with the City of Los Angeles Department of Public Works, Bureau of Sanitation (BOS) as a cost-effective strategy to address LAWA's environmental regulatory compliance needs. Pursuant to the MOU, BOS will construct and operate the Argo Drain Sub-Basin Storm Water Facility (Argo Facility) that will capture the Argo Drain sub-basin flows, transport the flows by gravity to a detention/retention basin, and then pump the flows into underground infiltration galleries to recharge the groundwater. This Facility would be constructed on LAWA property north and south of Westchester Parkway between Falmouth Avenue and Pershing Drive; and

WHEREAS, by Resolution 26359, the Board of Airport Commissioners approved a lease with BOS, for the Argo Facility land. BOS will pay ground rent for the Argo Facility on LAWA land at fair market value. BOS is fully responsible for performing construction, maintenance and operation of the Argo Facility; and

WHEREAS, in September 2017, construction bids were received for the Argo Facility. The City estimated the construction cost at \$23 million and budgeted the project accordingly, however six (6) bids ranging from \$33.7 million to \$43 million were received. Due to the higher construction value based on actual bids received, an Argo Facility Project budget increase is needed to award the construction contract, which requires City Council approval. This increase enables the Argo Facility to continue project implementation which will significantly reduce project risk for current planned improvements at Los Angeles International Airport (LAX); and

WHEREAS, because LAWA estimates it contributes approximately 50% of the storm water flow to the Argo Facility and that LAWA will achieve significant capital savings through a consolidated LID and environmental compliance strategy (that result from MOU implementation), it is important for an increase in LAWA's contribution for total capital contribution of \$14,777,862 to account for its portion of the increased budget shortfall for the Argo Facility; and

WHEREAS, any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA) is exempt from further review pursuant to Article II Section 2(i) of the Los Angeles City CEQA Guidelines. The LAX Northside Plan Update Environmental Impact Report (EIR) was certified by the Board of Airport Commissioners on March 12, 2015 (Resolution 25654). An addendum to the LAX Northside Plan Update EIR was approved for the Argo Drain Sub-Basin Storm Water Facility by the Board of Airport Commissioners on March 17, 2016 (Resolution 25922); and

WHEREAS, this action is statutorily exempt from the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and



WHEREAS, as a governmental agency, BOS is self-insured; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 607;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from CEQA pursuant to Article II Section 2(i) of the Los Angeles City CEQA Guidelines; approved the updated Lease with the City of Los Angeles Department of Public Works, Bureau of Sanitation; authorized the Chief Executive Officer to execute said updated Lease upon approval as to form by the City Attorney and upon approval by the Los Angeles City Council; further approved an increase in LAWA's contribution to total \$14,777,862 toward capital costs for the Argo Drain Sub-Basin Storm Water Facility at Los Angeles International Airport; and further approved appropriation and allocation from the LAX Revenue Fund in the not-to-exceed amount of \$12,038,332 (\$14,777,862 less \$2,739,530 previously paid for design costs) to Work Breakdown Structure Element 1.15.10-700 (Argo Drain Sub-Basin Facility Project) and other respective Work Breakdown Structure Elements as may be required.

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I hereby certify that this Resolution No. 26515 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, June 14, 2018.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS