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CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the second amendment to the lease with Regency Outdoor Advertising, Inc. (Regency), covering billboard leaseholds at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the second amendment to the lease with Regency, covering billboard leaseholds at LAX.
3. CONCUR with the Board's action of February 16, 2017 by Board Resolution No. 26176 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the second amendment to the lease with Regency, covering billboard leaseholds at LAX.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed second amendment between LAWA and Regency will have no impact on the General Fund. Approval of the proposed amendment will be a revenue neutral action, excluding any percentage rent. The anticipated annual revenue of approximately \$1,000,000, generated through this billboard lease for LAWA, will be reduced by approximately an equal revenue amount from the Park 'N Fly lease. According to LAWA staff, there is a potential for increased revenue from Regency to LAWA based upon a restructuring of the percentage rent calculation. The contract complies with LAWA's adopted Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – APRIL 13, 2017

(LAST DAY FOR COUNCIL ACTION – APRIL 7, 2017)

SUMMARY

At the meeting held on March 21, 2017, your Innovation, Grants, Technology, Commerce and Trade Committee considered a Board transmittal relative to the second amendment to the lease with Regency, covering billboard leaseholds at LAX. The CAO reports that in June 2009, the Board approved an Agreement of Purchase and Sale and Escrow Instructions for approximately 19.77 acres of commercial real estate property, adjacent to LAX, east of Terminal 1. Currently the property is leased to PNF-LAX, Inc. (PNF), a firm which operates Park 'N Fly parking services on the site. The company also has a 25-year sublease on the property with Regency, having an expiration date of November 24, 2016, to maintain six advertising billboards, with footings, and the lease generates approximately \$1,000,000 in annual revenue from base and percentage rents. Last year, during a meeting on October 20, 2016, the Board approved a first amendment to the PNF lease that, among other revisions, provided an option to delete the

Regency sublease from PNF's control and assign the Regency agreement to LAWA for direct control of the subleased activities on the site. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the Board's transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-