

GENERAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to a lease with Southwest Airlines Company covering 65,000 - 95,000 square feet of land between Terminals 1 and 2 at the Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II Section 2(i) of the Los Angeles City CEQA Guidelines.
2. APPROVE the lease with Southwest Airlines Company covering 65,000-95,000 square feet of land between Terminals 1 and 2 at LAX.
3. CONCUR with the action taken by the Board of Airport Commissioners on July 13, 2017 by Resolution No. 26290 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the Lease with Southwest Airlines Company covering 65,000-95,000 square feet of land between Terminals 1 and 2 at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Revenue of approximately \$2,400,000 is anticipated to be generated over the ten-year lease term. The proposed lease provides that LAWA will acquire the site improvements, upon completion, for an amount not to exceed \$46,000,000 including interest. Subject to future approval by the Board of Airport Commissioners, the Department may acquire space, or sublease, the new facility to be constructed on the land - facility improvements - for an amount not to exceed \$432,000,000.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 14, 2017

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 8, 2017)

SUMMARY

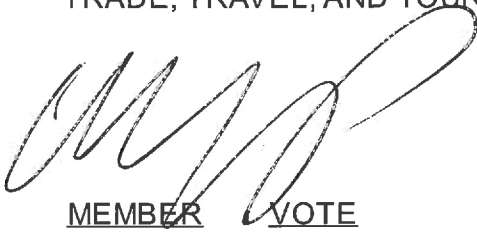
In a report to the Mayor dated August 14, 2017, the CAO discusses the proposed lease with Southwest Airlines Company covering 65,000 - 95,000 square feet of vacant land between Terminals 1 and 2 at LAX. According to the CAO, the proposed ten-year lease will support Southwest's plans for growth and its international air traffic operations. Southwest proposes to construct and operate a new passenger processing facility of approximately 178,000 square feet on the vacant property. The new facility will include check-in counters, passenger screening checkpoint, new baggage systems, a functional bus gate, and airline office support space. Additionally, the new building will connect to the planned LAX Automated People Mover. On Jul 13, 2017, the Board of Airport Commissioners approved the proposed lease. The CAO concurs with this action.

At the meeting held September 5, 2017, the Trade, Travel, and Tourism Committee recommended that Council approved the proposed lease, as recommended by the Board of

Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



Paul Kerkorian

<u>MEMBER</u>	<u>VOTE</u>
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BUSCAINO:	YES
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BONIN:	YES
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KREKORIAN:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-