



RESOLUTION NO. 26563

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Lease LAA-8781 with United Parcel Service, Inc. to extend the term by two (2) years, with two (2) one-year extension options, covering a cargo facility located at 6041 West Imperial Highway within Los Angeles International Airport; and

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

Eric Garcetti  
Mayor

**Board of Airport  
Commissioners**

Sean O. Burton  
President

Valeria C. Velasco  
Vice President

Jeffery J. Daar  
Gabriel L. Eshaghian  
Beatrice C. Hsu  
Thomas S. Sayles  
Dr. Cynthia A. Telles

Deborah Flint  
Chief Executive Officer

WHEREAS, United Parcel Service, Inc. (UPS) is an integrated cargo operator that provides trucking and air transport of cargo from point-to-point destinations. UPS currently occupies the southern portion of the cargo facility located at 6041 West Imperial Highway, known as the Air Freight 4 building at Los Angeles International Airport (LAX) under Lease LAA-8781. UPS processed approximately 38,897 tons of freight through the facility in 2017; and

WHEREAS, the First Amendment will allow UPS to continue cargo processing services at LAX and also providing flexibility to Los Angeles World Airports (LAWA), as the property may be needed at a later date for interim cargo space and other uses in conjunction with the Century Cargo Redevelopment; and

WHEREAS, following is a summary of other key elements of the Amendment:

	Previous	Amendment
<b>Term:</b>		
Commencement	September 6, 2013	September 6, 2018
Expiration	September 5, 2018	September 5, 2020
Options	None	Two (2) one-year options, at CEO discretion
Cancellation Provision	90-days by either party	Same
<b>Demised Premises:</b>		
Cargo Land	47,895 square feet (SF)	Same
Building	13,795 SF	Same
Aircraft Paving	9,844 SF	Same
Auto Paving	24,256 SF	Same
Building Rental Rate*	\$18.83/SF/YR	\$20.25/SF/YR
Land Rate*	\$3.51/SF/YR	Same
Aircraft Paving Rate*	\$ 0.81/SF/YR	Same
Auto Paving Rate*	\$ 0.41/SF/YR	Same
Annual Rent	\$445,790	\$465,379
Annual Adjustment	Based on the Consumer Price Index with a 2% minimum increase	Same

\*Building rate is Board-approved per Resolution 26093; standard Board-approved land and paving rates apply; and



WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, UPS will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, UPS will comply with the provisions of the Affirmative Action Program; and

WHEREAS, UPS has been assigned Business Tax Registration Certificate 0000281689-0001-7; and

WHEREAS, UPS will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, UPS has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, UPS has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, UPS must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Amendment; and

WHEREAS, UPS will comply with the provisions of the First Source Hiring Program for all non-trade airport jobs; and

WHEREAS, UPS has submitted the Bidder Contributions City Ethics Commission Form 55, and will comply with its provisions; 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 606;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners determined that this action is exempt from the California Environmental Quality Act requirements; adopted the Staff Report; approved the First Amendment to Lease LAA-8781 with United Parcel Service, Inc. to extend the term by two (2) years, with two (2) one-year extension options, covering a cargo facility located at 6041 West Imperial Highway within Los Angeles International Airport; and authorized the Chief Executive Officer to execute said First Amendment to Lease LAA-8781 with United Parcel Service, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 26563 is true and correct, as adopted by the Board of Airport Commissioners at its Special Session held on Thursday, August 16, 2018.



Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS