

CATEGORICAL EXEMPTION and COMMUNICATION FROM CHAIR, TRADE, TRAVEL, AND TOURISM COMMITTEE relative to extending the term of a Los Angeles World Airports (LAWA) lease with United Parcel Service, Inc. (UPS), for the continued use of a cargo facility.

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 First Amendment to LAWA Lease No. LAA-8781 with UPS to extend the term by two years, with two one-year extension options, covering a cargo facility located at 6041 West Imperial Highway, within Los Angeles International Airport.
3. **CONCUR** with the action taken by the Board of Airport Commissioners on August 16, 2018 by Resolution No. 26563, authorizing the Chief Executive Officer, LAWA, to execute said First Amendment to Lease No. LAA-8781 with UPS.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The proposed First Amendment to Lease No. LAA-8781 with UPS complies with LAWA financial policies. The approval will extend the agreement term by an additional two years, for a total of seven years. It is anticipated that the First Amendment will generate approximately \$930,758 in revenue, exclusive of adjustments, during the two-year extension period.

Community Impact Statement: None submitted.

TIME LIMIT FILE – OCTOBER 1, 2018

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 28, 2018)

SUMMARY

In a report to the Mayor dated September 12, 2018, the CAO discusses the proposed First Amendment to the LAWA lease agreement with UPS. According to the CAO, the lease grants UPS use of 47,895 square feet of cargo land area, 13,795 square feet of warehouse and office space, 24,256 square feet of auto paving, and 9,844 square feet of aircraft paving from which it operates cargo processing services at LAX. Approximately \$2,102,062 in revenue has been generated through the lease to date. The proposed First Amendment will extend the agreement term by two options to extend the term of the agreement for one year.

On August 16, 2018, the Board of Airport Commissioners approved the proposed amendment. The CAO concurs with this action.

At the Trade, Travel, and Tourism Committee meeting held September 18, 2018, the Committee Chair recommended that Council approve the amendment of the LAWA lease agreement with UPS, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,



COUNCILMEMBER JOE BUSCAINO, CHAIR
TRADE, TRAVEL, AND TOURISM COMMITTEE

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-