

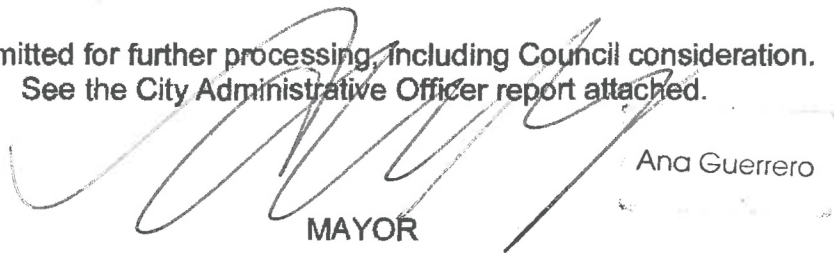
0150-10512-0001

TRANSMITTAL

TO Deborah Flint, chief Executive Officer Los Angeles World Airports	DATE OCT 15 2018	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT 11	

**Proposed First Amendment to Lease LAA-8780 with Myriad international Marketing, LLC
an MMGY Company to Extend the term for Space at 6033 West Century Boulevard,
Skyview Center, near Los Angeles International Airport**

Transmitted for further processing, including Council consideration.
See the City Administrative Officer report attached.


MAYOR

Ana Guerrero

RHL:AVM:10190036f

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: October 12, 2018

CAO File No. 0150-10512-0001
Council File No.
Council District: 11

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Communication from the Department of Airports dated September 18, 2018, referred by the Mayor for a report on September 18, 2018

Subject: **PROPOSED FIRST AMENDMENT TO LEASE LAA-8780 WITH MYRIAD INTERNATIONAL MARKETING, LLC, AN MMGY COMPANY TO EXTEND THE TERM FOR SPACE AT 6033 WEST CENTURY BOULEVARD, SKYVIEW CENTER, NEAR LOS ANGELES INTERNATIONAL AIRPORT**

RECOMMENDATIONS

That the Mayor:

1. Approve a proposed First Amendment to Lease LAA-8780 with Myriad International Marketing, LLC, an MMGY Global Company (Myriad), to extend the agreement term for 12 months to use 8,450 square feet of space at 6033 West Century Boulevard, Skyview Center, near Los Angeles International Airport.
2. Authorize the Chief Executive Officer to execute the First Amendment to Lease LAA-8780 subject to Myriad (1) being determined by the Public Works Department, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance, (2) providing a Business Tax Certificate, and (3) having approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports, and, subject to approval as to form by the City Attorney.
3. Determine the action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1(18)(c) of the Los Angeles CEQA Guidelines.
4. Return the request to the Department of Airports for further processing, including Council consideration.

SUMMARY

Background

On May 21, 2013, the Board of Airport Commissioners (BOAC) approved the purchase of commercial properties located at 6033 and 6053 West Century Boulevard, and at 6101 and 6151 West 98th Street, adjacent to Los Angeles International Airport (LAX). The properties (Skyview Center) total 17.6 acres of land and consist of: an office complex of two buildings having approximately 407,000 rentable square feet, a parking structure situated between the buildings has 412 parking spaces, and a parking lot which is approximately 14.4 acres. Los Angeles World Airports (LAWA, Department) staff negotiated a purchase price of approximately \$111.9 million for the Skyview Center.

Shortly after the commercial property purchase was approved, on August 20, 2013 the BOAC approved a five-year lease (Lease) agreement with Myriad International Marketing, LLC, an MMGY Global Company (Myriad), a travel marketing company. The Lease provided 8,272 square feet of space for Myriad to use at Skyview Center. Department staff projected approximately \$974,770 in rental revenue would be generated over the five-year term. Other Lease provisions included Tenant Improvements and Broker Commission amounts not-to-exceed approximately \$82,000 and \$74,944, respectively. Funding for these provisions was included in the Skyview Operating Budget. Through a five year lease approved by the BOAC in June 2015, Colliers International provides Property Management and Leasing Services for Skyview Center. Furthermore, Common Area Maintenance (CAM) costs would be recovered through separate charges, according to LAWA staff. The Lease expiration date was August 31, 2018.

Proposed First Amendment to Lease LAA-8780

Approval of the proposed First Amendment will extend the Lease term by 12 months, thereby allowing Myriad to continue use and occupancy of 8,450 square feet of space at Skyview Center. Department staff notes an extension for a 12-month term was at the request of the tenant. Through the proposed First Amendment, staff anticipates approximately \$228,500 in rental revenue will be received by the Department. Rental revenue of approximately \$674,747 was generated through this Lease LAA-8780 from August 2015 to the present, according to LAWA staff.

The proposed First Amendment includes \$15,765 for Broker Commission and, as similar to the original Lease, the Fiscal Year 2018-19 LAWA Operating Budget includes Broker Commission and Tenant Improvement funds. Myriad will comply with the City's Standard Provisions for Affirmative Action Program, Bidder Contributions City Ethics Commission Form 55, Child Support Obligations Ordinance, and the Contractor Responsibility Program. The proposed action is not subject to Standard Provisions for Living Wage Ordinance, Service Contractor Worker Retention Ordinance and First Source Hiring Program. The Amendment continues the provision that CAM

costs will be recovered through separate charges. Department staff reports that Myriad has received credit back for CAM costs of approximately \$10,368 annually, from 2015 through 2017.

The BOAC approved the proposed First Amendment at its meeting on September 20, 2018.

FISCAL IMPACT STATEMENT

Approval of the proposed First Amendment to Lease LAA-8780 between the Los Angeles World Airports (Department) and Myriad International Marketing, LLC, an MMGY Global Company (Myriad), complies with Department adopted Financial Policies and will have no impact on the City's General Fund. The approval will extend the Agreement term by an additional 12 months, for a total of six years, to use 8,450 square feet of space at 6033 West Century Boulevard, Skyview Center, near Los Angeles International Airport. It is anticipated that implementation of the proposed First Amendment will generate approximately \$228,500 in rental revenue over the extension period.

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