



RESOLUTION NO. 26608

WHEREAS, on recommendation of Management, there was presented for approval, Amended and Restated Lease with Clear Channel Outdoor, Inc. to allow for required removal of one conflicting billboard and to update the terms for the remaining billboard under said lease at Los Angeles International Airport; and

LAX
Van Nuys
City of Los Angeles

WHEREAS, by Resolution 25129, the Board of Airport Commissioners approved the acquisition of Skyview Center, a two (2)-building office complex consisting of approximately 407,000 square feet, along with the associated billboard leases with Outfront Media and Clear Channel Outdoor, Inc.; and

Eric Garcetti
Mayor

WHEREAS, in connection with said acquisition, Los Angeles World Airports (LAWA) assumed the Clear Channel lease that included two billboards comprising three billboard faces, located on the property's surface parking lot. The location of one billboard conflicts with LAWA's future plans for the underlying property. Rather than proceed with termination of the lease, the First Amendment will require removal of one billboard, as needed for implementation of the Landside Access Modernization Program, and update the terms for the remaining billboard to be more consistent with other LAWA leases; and

**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

WHEREAS, the following summarizes the terms of the previous and the Amended and Restated Lease:

Terms	Previous Lease	Amended and Restated Lease
Expiration Date	October 31, 2018; however, the Lease auto renews in perpetuity unless terminated by either party with 60 days' notice prior to the expiration date.	October 31, 2023; however, either party may terminate at any time with 60 days' prior notice Auto renew provision is eliminated
Premises	Two billboards	One billboard
Waiver of Claims	None	Lessee has no right to any payment, claims or damages should LAWA terminate
Base Rent	\$18,000 annually	Greater of: i) Base Rent totaling \$13,000 annually, or ii) percentage rent
Percentage Rent	None	42.5% of gross annual revenues
Base Rent Adjustments	None	Base Rent subject to annual increase based on the Consumer Price Index. A minimum of 2% and a maximum of 7% increase; and

WHEREAS, staff conducted a comparative market analysis of similarly situated billboards to compare rates and terms, and found that the rates for the Amended and Restated Lease are



comparable in regards to base rent, which was calculated based on 80% of previous years' gross revenues, a common approach typical in the industry. Regarding percentage rent, the rate for the new lease at 42.5% is superior as revenue sharing obligations are typically at a rate of 30% to a maximum of 40%, making the commercial terms under this action favorable to LAWA; and

WHEREAS, within the next twelve (12) months, LAWA plans to develop a holistic strategy for all remaining billboards on LAWA property as part of the requirements of the Los Angeles International Airport Sign District; 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, Clear Channel Outdoor, Inc. will comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Clear Channel Outdoor, Inc. will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Clear Channel Outdoor, Inc. has been assigned Business Tax Registration Certificate 0000559142-0001-5; and

WHEREAS, Clear Channel Outdoor, Inc. will comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Clear Channel Outdoor, Inc. will have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the Amended and Restated Lease; and

WHEREAS, Clear Channel Outdoor, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Clear Channel Outdoor, Inc. 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 Amended and Restated Lease; and

WHEREAS, Clear Channel Outdoor, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade airport jobs; and

WHEREAS, Clear Channel Outdoor, Inc. has submitted the Bidder Contributions CEC 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 adopted the Staff Report; determined that this action is categorically exempt from CEQA pursuant to Article III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the Amended and Restated Lease with Clear Channel Outdoor, Inc. to allow for required removal of one conflicting billboard and to update the terms for the remaining billboard under said lease at Los Angeles International

Airport; and authorized the Chief Executive Officer to execute said Amended and Restated Lease with Clear Channel Outdoor, 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. 26608 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, October 18, 2018.

A handwritten signature in blue ink, appearing to read "Grace Miguel".

Grace Miguel Secretary
BOARD OF AIRPORT COMMISSIONERS