

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Fourth Amendment to Los Angeles World Airports (LAWA) lease with Concentra Health Services, Inc.

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 Fourth Amendment to the LAWA lease with Concentra Health Services, Inc., to extend the term by 120 months, for the use of 17,217 square feet of space in Skyview Center, located at 6033 West Century Boulevard, adjacent to Los Angeles International Airport (LAX).
3. **CONCUR** with the action taken by the Board of Airport Commissioners on January 17, 2019, by Resolution No. 26675, authorizing the Chief Executive Officer, LAWA, to execute the Fourth Amendment to Lease with Concentra Health Services, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. LAWA funding for tenant improvements and broker commission costs are included in the Fiscal Year 2018-19 LAWA Operating Budget, LAX Cost Center No. 2001525 - Skyview Ctr, Commitment Item No. 520 - Contractual Services. It is anticipated that implementation of the lease will provide approximately \$6,204,000 in revenue to LAWA over the duration of the term.

Community Impact Statement: None submitted.

TIME LIMIT FILE – FEBRUARY 27, 2019

(LAST DAY FOR COUNCIL ACTION – FEBRUARY 27, 2019)

SUMMARY

In a report to the Mayor dated January 29, 2019, the CAO discusses the proposed Fourth Amendment for the LAWA lease with Concentra Health Services. According to the CAO, approval of the proposed amendment will increase the leasehold area to 17,217 square feet for the term March 1, 2019, to February 28, 2029. The proposed amendment complies with, or exceeds, the underwriting guidelines established by LAWA at the time of the Skyview Center purchase. Provision of a one-time Tenant Improvement Allowance entitles Concentra to an amount not-to-exceed \$430,425 for any and all costs associated with the design and construction of tenant improvements. A Rent Abatement provision will provide three months free rent during the Fourth Amendment term, for a total amount not-to-exceed \$136,875.15 (\$45,625.05 per month).

On January 17, 2019, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At its meeting held February 5, 2019, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed Fourth Amendment for the LAWA lease with Concentra Health Services, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



MEMBER VOTE

BUSCAINO: YES

BONIN: YES

KREKORIAN: YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-