

RESOLUTION NO. 27212

WHEREAS, on recommendation of Management, there was presented for approval, Fourth Amendment to Lease LAA-8388 with Mercury Air Cargo, Inc. to extend the term thru September 30, 2023, with two (2) one-year extension options, and add a truck staging area to its premises at Los Angeles International Airport, and building rental rate; and

WHEREAS, Mercury Air Cargo, Inc., a long-time cargo handler at Los Angeles International Airport (LAX), occupies a cargo facility located at 6040 Avion Drive under its Lease LAA-8388, which will expire on September 30, 2021. Mercury Air Cargo, Inc. also currently occupies four other cargo facilities and handles approximately 16% of all cargo at LAX. Its facilities are operating at maximum capacity based on current industry throughput standards; and

WHEREAS, the facility under Lease LAA-8388 is in the footprint of the proposed Terminal 9 project. The term extension will provide Los Angeles World Airports (LAWA) with flexibility associated with development of said Terminal 9 project, and will minimize any disruption to Mercury Air Cargo, Inc.'s operations and airline clients. The Fourth Amendment will also expand the existing land area to include a truck staging area, and includes a periodic adjustment of the building rental rate to \$22.25 per square foot (SF) per year, which is comparable to rates for similar facilities at LAX. Following is a summary of the Amendment:

	Current	Amendment
Term:	extended to September 30, 2021, per Board Resolution 24695	extend by two (2) years, with two (2) one-year extension options at LAWA's discretion
Expiration:	September 30, 2021	September 30, 2023
Cancellation Provision:	30-day by either party	180-day by either party
Demised Premises:	• Warehouse/Office – 171,787 SF	• no change
	• Land – 247,320 SF	• Land – 259,359 SF
	• Auto Paving – 103,103 SF	• Auto Paving – 115,142 SF
Building Rate:	\$21.22/SF/year	\$22.25/SF/year*
Land (Cargo) Rate:**	\$3.61/SF/year	no change
Auto Paving Rate:**	\$0.43/SF/year	no change
Monthly Rent:	\$381,873.30	\$400,671.48
Annual Adjustment:	based on Consumer Price Index	annual adjustment to be 3%; and

*Effective October 1, 2021

**Board-approved land and paving rates apply

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 exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and



WHEREAS, Mercury Air Cargo, Inc. will comply with the provisions of the Living Wage/Worker Retention Ordinances, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, Mercury Air Cargo, Inc. has been assigned Business Tax Registration Certificate 0000707543; and

WHEREAS, Mercury Air Cargo, Inc. must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the Amendment; and

WHEREAS, Mercury Air Cargo, Inc. has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Mercury Air Cargo, Inc. must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance prior to the execution of the Amendment; and

WHEREAS, Mercury Air Cargo, Inc. will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, Mercury Air Cargo, Inc. has submitted the Municipal Lobbying Ordinance CEC Form 50, 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 exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the Fourth Amendment to Lease LAA-8388 with Mercury Air Cargo, Inc. to extend the term thru September 30, 2023, with two (2) one-year extension options, and add a truck staging area to its premises at Los Angeles International Airport; further approved the building rental rate; and authorized the Chief Executive Officer to execute said Fourth Amendment to Lease LAA-8388 with Mercury Air Cargo, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

o0o

I hereby certify that this Resolution No. 27212 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, March 4, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS