

RESOLUTION NO. 27187

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Lease LAA-8903 with Qantas Airways, Ltd. to extend the term by fifty-two (52) months, and new building rental rate, covering the facility located at 6555 West Imperial Highway within Los Angeles International Airport; and

LAX

WHEREAS, Qantas Airways, Ltd. (Qantas) has operated a cargo business at said location since 1996, and is a tenant in good standing and maintains the facility to a high standard; and

Van Nuys

City of Los Angeles

WHEREAS, the term extension will coincide with the expiration of the Nippon Cargo Airlines Co., Ltd. cargo lease. The common expiration date provides Los Angeles World Airports (LAWA) with flexibility for future planning purposes. The new building rental rate of \$23.00 per square foot per year has been agreed to by Qantas, and is in line with other Los Angeles International Airport (LAX) cargo facilities of similar characteristics. Following are the key elements of the lease:

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Justin Erbacci
Chief Executive Officer

	Original	Amendment
<i>Commencement</i>	January 8, 2016	No change
<i>Expiration</i>	January 7, 2021	May 7, 2025
<i>Cancellation</i>	by LAWA with 180-day notice	either party with 180-day notice
Rental Rates		
• <i>Land (Cargo)</i>	\$ 3.61/square foot/year	\$3.61/square foot/year*
• <i>Automobile Paving</i>	\$ 0.43/square foot/year	no change
• <i>Aircraft Paving</i>	\$ 0.85/square foot/year	no change
• <i>Building</i>	\$20.49/square foot/year	\$23.00/square foot/year
<i>Totals</i>	\$ 155,409 monthly \$1,864,912 annual	\$ 167,708 monthly* \$2,010,563 annual*
<i>Land Area</i>	166,643 square feet	no change
<i>Building Area</i>	58,743 square feet	no change
<i>Automobile Paving Area</i>	81,051 square feet	no change
<i>Aircraft Paving Area</i>	27,107 square feet	no change
<i>Annual Rent Adjustment</i>	per Consumer Price Index, July 1 of every year in which there is no periodic adjustment to market rent	3% per year, July 1 of every year in which there is no periodic rate adjustment
Periodic Rental Rate Adjustment to Fair Market Rent		
• <i>Land</i>	July 1, 2020, and every five years thereafter	no change
• <i>Improvements</i>	January 8, 2021 and every five years thereafter	no change
• <i>Paving</i>	per Board-assigned dates	no change; and

*amendment requested by staff and approved by the Board at its meeting

WHEREAS, the First Amendment will result in rental revenue of \$8,720,820, exclusive of annual and periodic rental rate adjustments, to LAWA over the 52-month term extension. Said rental revenue amount was an amendment to the staff report that was requested by staff and approved by the Board at its meeting; 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 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, Qantas will comply with the provisions of the Living Wage Ordinance, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, Qantas is assigned Business Tax Registration Certificate 0002108861-0002-1; and

WHEREAS, Qantas must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the First Amendment; and

WHEREAS, Qantas must submit the Contractor Responsibility Program Questionnaire and Pledge of Compliance and comply with the provisions of said program prior to execution of the First Amendment; and

WHEREAS, Qantas 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 First Amendment; and

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

WHEREAS, Qantas must submit and comply with the Iran Contracting Act of 2010 prior to execution of the First Amendment; 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 amended 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 First Amendment to Lease LAA-8903 with Qantas Airways, Ltd. to extend the term by fifty-two (52) months, and new building rental rate, covering the facility located at 6555 West Imperial Highway within Los Angeles International Airport; and authorized the Chief Executive Officer to execute said First Amendment to Lease LAA-8903 with Qantas Airways, Ltd. 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. 27187 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, January 7, 2021.


Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS