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File No. 13-0392-S2

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the lease with Qantas Airways Limited for a cargo facility at 6555 West Imperial Highway at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the five (5)-year lease with Qantas Airways Limited.
3. CONCUR with the Board's action of January 14, 2016 by Resolution No. 25864 authorizing the Executive Director, Los Angeles World Airports (LAWA), to execute the lease with Qantas Airways Limited for a cargo facility at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed lease between LAWA and Qantas Airways Limited for 333,544 square feet of space at the tenant's LAX cargo facility, 6555 West Imperial Highway, will result in annual revenue to LAWA of approximately \$1,646,558 and approximately \$8,232,789 over the five-year term, excluding the automatic annual rental rate adjustments of not less than two percent based upon the Consumer Price Index. The proposed lease complies with LAWA's adopted Financial Policies and will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – FEBRUARY 26, 2016

(LAST DAY FOR COUNCIL ACTION – FEBRUARY 26, 2016)

SUMMARY

At the meeting held on February 16, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAWA transmittal relative to authority to execute a five-year lease with Qantas Airways Limited for the use of 333,544 square feet of land, auto paving, aircraft paving, and a two-story warehouse/office building located at 6555 West Imperial Highway at LAX. The CAO reports that the proposed lease is for the purpose of continuing air cargo services that have been provided under a 20-year lease that expired on January 7, 2016. Expiration of the lease resulted in title to 22,987 square feet of cargo facility improvements made by Qantas Airways in 1996 reverting to LAWA. Approval of the proposed lease will allow the tenant to both continue its air cargo operations at LAX without interruption and execute a new agreement (for the period January 8, 2016 to January 8, 2021) reflecting the market rental rate for comparable facilities at the airport. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to read 'Ed Blumenthal', is written over the committee name.

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	ABSENT
KREKORIAN:	YES
BUSCAINO:	YES
MARTINEZ:	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-