

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Los Angeles World Airports (LAWA) lease with Qantas Airways, Ltd.

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (BOAC) 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 First Amendment to LAWA Lease LAA-8903 with Qantas Airways, Ltd., extending the term by 52 months, and initiating a new building rental rate, for the facility at 6555 West Imperial Highway at Los Angeles International Airport (LAX).
3. CONCUR with the action taken by the BOAC on January 7, 2021, by Resolution No. 27187, authorizing the Chief Executive Officer, LAWA, to execute the First Amendment to LAWA Lease LAA-8903 with Qantas Airways, Ltd.

Fiscal Impact Statement: The BOAC reports that this action will not impact the General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – APRIL 14, 2021

(LAST DAY FOR COUNCIL ACTION – APRIL 14, 2021)

SUMMARY

In a report to BOAC dated January 7, 2021, LAWA requests approval of the First Amendment to the Department's lease with Quantas Airways. LAWA states Qantas has operated a cargo business at 6555 West Imperial Highway since 1996. The facility consists of 166,643 square feet of land and a 58,743 square-foot cargo building. Qantas processed approximately 65,188 tons of cargo in 2019, which reflects above average utilization of the facility. According to LAWA, the 52 -month term extension coincides with the expiration of the adjacent Nippon Cargo Airlines Co., Ltd. cargo lease. This common expiration date provides LAWA with flexibility for future planning purposes. The

proposed building rental rate of \$23 per square foot per year has been agreed to by Qantas, and is in line with other LAX cargo facilities of similar characteristics.

On January 7, 2021, BOAC approved the proposed amendment to the LAWA lease with Qantas Airways.

At its meeting held March 23, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed lease amendment, as recommended by BOAC.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink that reads "Joe Buscaino". The signature is written in a cursive style with a prominent initial "J".

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| BUSCAINO: | YES |
| BONIN: | ABSENT |
| LEE: YES | |
| jaw | |