

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the First Amendment to Lease No. VNA-7804 with First City Pacific, Inc., for the 3.8453-Acre Home Depot Store building site at the Van Nuys Airport to provide for a revised lease expiration date and establishment of rental rate adjustments due during the remaining term of the lease.

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) as provided in Article III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the First Amendment to Lease VNA-7804 with First City Pacific, Inc., to adjust the rental rate for the leasehold at the Van Nuys Airport.
3. CONCUR with the action taken by the Board of Airport Commissioners on July 13, 2017 by Resolution No. 26283 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the First Amendment to Lease VNA-7804 with First City Pacific, Inc., to adjust the rental rate at the Van Nuys Airport.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. LAWA indicates that the First Amendment to Lease VNA-7804 with First City Pacific, Inc., will generate approximately \$2,745,573 in gross revenue over the remaining Lease term. The Department further indicates that the proposed amendment is the result of litigation and is required in order to comply with the terms of a settlement agreement concerning the lease.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 27, 2017

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 27, 2017)

SUMMARY

In a report to the Mayor dated August 23, 2017, the CAO states that LAWA requests approval to execute the proposed amendment to provide for a new expiration date of January 31, 2026, an early termination option, and revised rental rate adjustments during the remainder of the lease term. The proposed amendment is the result of litigation and is required in order to comply with the terms of a settlement agreement concerning the ground lease. The parcel is currently used for the Home Depot store building. On Jul 13, 2017, the Board of Airport Commissioners approved the proposed lease amendment. The CAO concurs with this action.

At its meeting held September 5, 2017, the Trade, Travel, and Tourism Committee recommended that Council approved the proposed lease amendment, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

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

jaw

A handwritten signature in black ink that reads "Paul Krekorian". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

-NOT OFFICIAL UNTIL COUNCIL ACTS-