

RESOLUTION NO. 27930

WHEREAS, on recommendation of Management, there was presented for approval, Third Amendment to Lease LAA-8758 with Denny's Inc. to extend the term by one (1) year, with a one (1)-year extension option, covering premises located at 5535 West Century Boulevard at Los Angeles International Airport; and

WHEREAS, in 2013, by Resolution 25010, the Board of Airport Commissioners (Board) approved a five (5)-year lease with Denny's Inc. (Denny's) for operation of a restaurant facility. (Said resolution number and term were Board-approved amendments to correct the information in the staff report.) The lease was extended in 2018 and in 2021, and will expire on April 30, 2024; and

LAX
Van Nuys
City of Los Angeles

Karen Bass
Mayor

WHEREAS, Los Angeles World Airports (LAWA) proposed to provide Denny's a one-year term extension, with an additional one-year extension option to be exercised at LAWA's discretion. The Third Amendment also increases the percentage of Gross Receipt Payments from 6.75% to 7%. Both LAWA and Denny's will have the right to terminate the lease with 60 days' advance written notice. Following is a summary of the lease:

Board of Airport Commissioners

Karim Webb
President

Matthew M. Johnson
Vice President

Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco

John Ackerman
Chief Executive Officer

	Original Lease	First and Second Amendments	Third Amendment
Term:	5 years [◇]	1 year, with two 1-year options; 2 years, with a 1-year option	extend by 1 year, with a 1-year extension option
Commencement:	May 1, 2013	May 1, 2018 [◇]	May 1, 2024
Expiration:	April 30, 2018 [◇]	April 30, 2024	April 30, 2025 / April 30, 2026, if 1-year option is executed
Cancellation Provision:	60 days by either party	no change	no change
Demised Premises:			
• Restaurant Building	7,347 square feet	no change	no change
• Land	51,189 square feet	no change	no change
Rent:*			
• Minimum Annual Guarantee (MAG)	\$307,000	\$256,000	\$264,000
• Percentage of Gross Sales	6.75%	no change	7%
• Annual Adjustment to MAG	based on the Consumer Price Index	3% fixed annual adjustments, starting July 1, 2023	no change; and

*Lessee shall pay the greater of the MAG or 7% of gross receipts as defined in the Lease.

◇ Amendments approved by the Board at the meeting, specifically to correct the number of years and expiration year (both under the Original Lease column) and the commencement year (under the First and Second Amendments column).

WHEREAS, during the extension period, LAWA plans to conduct a highest and best use/development study to determine the best use of the Denny's property and adjacent areas; and



WHEREAS, issuance, renewal or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1(14) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Denny's will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, Denny's is assigned Business Tax Registration Certificate 0000105827-0010-4; and

WHEREAS, Denny's must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to the lease amendment; and

WHEREAS, Denny's has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Denny's has been determined by Public Works, Office of Contract Compliance, with the provisions of the Equal Benefits Ordinance prior to execution of the Amendment; and

WHEREAS, Denny's will be required to comply with the provisions of the First Source Hiring Program for all non-trade Los Angeles International Airport jobs; and

WHEREAS, Denny's has submitted the Bidder Contributions CEC Form 55 and MLO Bidder Contributions CEC Form 50, and will comply with their 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 amended Staff Report; determined that this action is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (14) of the Los Angeles City CEQA Guidelines; approved the Third Amendment to Lease LAA-8758 with Denny's Inc. to extend the term by one (1) year, with a one (1)-year extension option, covering premises located at 5535 West Century Boulevard at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said Third Amendment to Lease LAA-8758 with Denny's Inc. after approval by the Los Angeles City Council and approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 27930 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, April 4, 2024.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS