

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Los Angeles World Airports (LAWA) lease with Clear Channel Outdoor, Inc., to remove one billboard at Los Angeles International Airport (LAX).

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) in accordance with Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAWA Amended and Restated Lease with Clear Channel Outdoor, Inc., to remove one conflicting billboard, to extend the term by five years through October 31, 2023, and to add a billboard space rental rate option of 42.5 percent of gross annual revenues to the \$13,000 annual base rental rate for the remaining billboard at LAX.
3. CONCUR with the action taken by the Board of Airport Commissioners on October 18, 2018 by Resolution No. 26608, authorizing the Chief Executive Officer, LAWA, to execute the Amended and Restated Lease with Clear Channel Outdoor, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the Amended and Restated Lease Agreement with Clear Channel Outdoor, Inc., will remove one of two billboards on the Skyview Center complex parking lot to accommodate the LAWA's implementation of the Landside Access Modernization Program (LAMP), reduce the space rental fee to reflect removal of the billboard and bring the fee into alignment with standard LAWA billboard rates for the area, and extend the current lease term by five years to October 31, 2023, will result in approximately \$13,000 in annual rental revenue (\$68,000 over the five-year term), a decrease of approximately \$5,000 annually. This project complies with LAWA's adopted financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – DECEMBER 7, 2018

(LAST DAY FOR COUNCIL ACTION – DECEMBER 7, 2018)

SUMMARY

In a report to the Mayor dated October 24, 2018, the CAO discusses the proposed amendment of LAWA's lease agreement with Clear Channel Outdoor, Inc, removing one billboard at LAX. The current lease is for two billboards—with three sides or faces—expires on October 31, 2018. The location of one of the two billboards (consisting of one of the three billboard faces) is now in conflict with LAWA's plans to implement LAMP and requires removal.

The CAO goes on to report that the amendment also extends the lease for five years to October 31, 2023, and adds a billboard space rental rate option of 42.5 percent of gross annual revenues (a rate favorable to LAWA since market studies show that between 30 and 40 percent of gross annual revenues is typical for similar locations) to the \$13,000 annual base rental rate (whichever

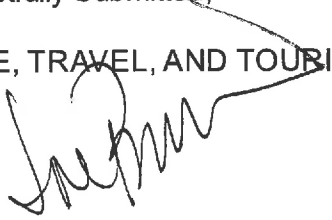
is greater), and include language in the lease that terminates the automatic renewal provision and allows for termination, by either party, with 60 days' advance written notice.

On October 18, 2018, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At its meeting held November 20, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve 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:	YES
KREKORIAN:	ABSENT

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-NOT OFFICIAL UNTIL COUNCIL ACTS-