



RESOLUTION NO. 26779

WHEREAS, on recommendation of Management, there was presented for approval, thirty (30)-month Lease, with two (2) one-year extension options, with Aerovias Empresa de Cargo SA de CV dba Aeromexico Cargo, and building rental rate, covering the cargo facility located at 6851 West Imperial Highway within Los Angeles International Airport; and

WHEREAS, Aeromexico Cargo operates passenger and freighter aircraft at the 61,949-square foot facility at Los Angeles International Airport (LAX), under Lease LAA-8790, which expired on October 31, 2018, and was on month-to-month status; and

LAX
Van Nuys
City of Los Angeles

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Deborah Flint
Chief Executive Officer

WHEREAS, the thirty (30)-month term will allow Aeromexico Cargo continued use of the cargo facility for its operations, and will provide Los Angeles World Airports (LAWA) staff the opportunity to study potential development opportunities of a larger, consolidated site, with the objective of optimizing use of the site for high priority aviation uses; and

WHEREAS, the building rental rate of \$19 per square foot per year (PSFPY), which is up from the previous rate of \$16.08 PSFPY, is based on the results of a LAWA-commissioned appraisal and rates for comparable LAX cargo buildings, and is at the lower end of rents for similar facilities at LAX due primarily to the building's age and issues associated with its functionality. The rate adjustment will provide LAWA with a revenue increase of approximately \$180,900 per year. The rental rate increase will be effective November 1, 2018, the day after expiration of the previous lease (LAA-8790), resulting in a retroactive rent payment by Aeromexico Cargo. Following is a summary of the key elements of the new Lease:

	Previous	New
Term:		
-Commencement	November 1, 2013	upon execution by the Chief Executive Officer
-Expiration Date	October 31, 2018	thirty (30) months from execution date
-Cancellation	one (1) year written notice	ninety (90)-day written notice
-Extension Options	none	two (2) one-year extension options, subject to approval by LAWA
Premises:		
-Land	139,887 square feet	no change
-Automobile Paving	74,041 square feet	no change
-Building	61,949 square feet	no change
-Shared Land	13,841 square feet	no change
-Shared Paving	12,244 square feet	no change
Rental Rates:*		
-Land	\$ 3.51 PSFPY	\$ 3.51 PSFPY
-Automobile Paving	\$ 0.41 PSFPY	\$ 0.41 PSFPY
-Building	\$16.08 PSFPY	\$19.00 PSFPY**
Annual Rent:	\$1,572,594	\$1,751,993; and

*Standard Board-approved land and paving rates apply, which are subject to annual Consumer Price Index adjustments.
**Effective November 1, 2018

WHEREAS, issuance of permits, leases, agreements, and renewals, amendments or extensions thereof, or other entitlements granting use of an existing airport facility involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted is categorically exempt from the requirements of the California



Environmental Quality Act pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Aeromexico Cargo is required by the Lease to comply with the provisions of the Service Contractor Worker Retention, Living Wage, and Child Support Obligations Ordinances; and

WHEREAS, Aeromexico Cargo is required by the Lease to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Aeromexico Cargo has been assigned Business Tax Registration Certificate 0002785815-0001-5; and

WHEREAS, Aeromexico Cargo has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Aeromexico Cargo must submit the Contractor Responsibility Program Pledge of Compliance, and comply with the provisions of said program; and

WHEREAS, Aeromexico Cargo must be determined by the Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Lease; and

WHEREAS, Aeromexico Cargo will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and


WHEREAS, Aeromexico Cargo must submit the Municipal Lobbying Ordinance City Ethics Commission Form 50, and comply with its 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 Staff Report; determined that this action is categorically exempt from CEQA pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the thirty (30)-month Lease, with two (2) one-year extension options, with Aerovias Empresa de Cargo SA de CV dba Aeromexico Cargo, and building rental rate, covering the cargo facility located at 6851 West Imperial Highway within Los Angeles International Airport; and authorized the Chief Executive Officer to execute said Lease with Aerovias Empresa de Cargo SA de CV dba Aeromexico Cargo after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 26779 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, June 20, 2019.



Grace Miguel Secretary
BOARD OF AIRPORT COMMISSIONERS