

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to a Los Angeles World Airports (LAWA) lease with Aerovias Empresa de Cargo SA de CV d.b.a. Aeromexico Cargo (Aeromexico Cargo).

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 lease with Aeromexico Cargo for the use of a 61,949-square foot cargo facility located at 6851 West Imperial Highway within Los Angeles International Airport (LAX) for a term of 30 months with two one-year extension options for anticipated revenue in the amount of \$1,751,993 for the first year.
3. **CONCUR** with the action taken by the Board of Airport Commissioners on June 20, 2019, by Resolution No. 26779, authorizing the Chief Executive Officer, LAWA, to execute the lease with Aeromexico Cargo.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. This project complies with LAWA's adopted financial policies. Implementation of the lease will generate approximately \$1,751,993 in the first year of the proposed term, and a minimum of \$4,379,983 in revenue over the duration of the 30-month lease term, exclusive of annual adjustments and extension options.

Community Impact Statement: None submitted.

TIME LIMIT FILE – AUGUST 19, 2019

(LAST DAY FOR COUNCIL ACTION – AUGUST 16, 2019)

SUMMARY

In a report to the Mayor dated July 16, 2019, the CAO discusses the proposed LAWA lease with Aeromexico Cargo. Approval of the lease allows Aeromexico Cargo to continue its cargo operations at LAX for an additional 30 months, with two one-year term extension options. The new lease increases the building rental rate from \$16 to \$19 per square foot per year. The revised rental rate will increase lease revenue by approximately \$180,900 per year, to an estimated amount of \$1,751,993 in the first year of the proposed term. The lease is for building space of 61,949 square feet of building space, 139,887 square feet of land, and the use of additional shared land.

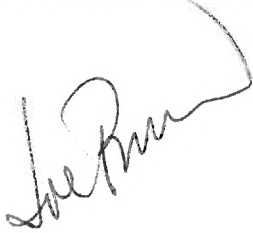
On June 20, 2019, the Board of Airport Commissioners approved the proposed lease. The CAO concurs with this action.

At its meeting held August 6, 2019, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed lease, as recommended by the Board of Airport

Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink, appearing to read 'Julie P...' with a large flourish at the end.

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

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-NOT OFFICIAL UNTIL COUNCIL ACTS-