

RESOLUTION NO. 27267

WHEREAS, on recommendation of Management, there was presented for approval, sixty-five (65)-month Lease with Stockton Architects, Inc., and rental rates, covering office space at Aviation Plaza, owned by Los Angeles World Airports and located at 16461 Sherman Way, Van Nuys, 91406; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, Aviation Plaza, which is owned by Los Angeles World Airports (LAWA), is a three (3)-story commercial office building with thirty-seven (37) office suites and 45,104 rentable square feet of office space. Aviation Plaza is adjacent to the Van Nuys Airport, and is currently 58% occupied. The Net Operating Income has been trending downward in recent years due to increased vacancies, high operating costs, and some major deferred maintenance items. In order to increase occupancy levels and bring in higher rental rates for Fiscal Year 2022, key improvements and maintenance projects will be funded through a separate capital project and included in the Fiscal Year 2022 budget. LAWA staff has already initiated the process of leasing vacant spaces at Aviation Plaza in an effort to increase the occupancy rate and to generate additional revenue; and

WHEREAS, the Lease with Stockton Architects, Inc. will be for a sixty-five (65)-month term, which includes five (5) years and two (2) months of rental revenue and three (3) months of free rent during the first year. The Lease also includes a 3% annual rental rate increase, and will be a full-service gross lease. Following is a summary of the terms:

Term	
• Commencement	upon full execution
• Expiration	sixty-five (65) months after execution
Demised Premises	2,017 square feet
Rent	\$1.50/square foot/month
Tenant Improvements	\$20,170, \$10/square foot
Broker Commission	\$11,183; and

WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Stockton Architects, Inc. will comply with the provisions of the Living Wage/Worker Retention Ordinances; and

WHEREAS, Stockton Architects, Inc. will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Stockton Architects, Inc. must submit a Business Tax Registration Certificate prior to execution of the Lease; and

WHEREAS, Stockton Architects, Inc. will comply with the provisions of the Child Support Obligations Ordinance; and



WHEREAS, Stockton Architects, Inc. must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the Lease; and

WHEREAS, Stockton Architects, Inc. must submit the Contractor Responsibility Program Pledge of Compliance and comply with the provisions of said program; and

WHEREAS, Stockton Architects, Inc. must be determined by 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, Stockton Architects, Inc. must submit the Bidder Contributions CEC Form 55 prior to execution of the Lease; and

WHEREAS, Stockton Architects, Inc. must submit the Bidder Contributions CEC Form 50 prior to execution of the Lease; 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 exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; found that the City's competitive bidding restrictions do not apply pursuant to Board Resolution 25714 where the Board of Airport Commissioners and the City Council found that it would be in the best interest of the City to contract with Colliers International for leasing services at Aviation Plaza; approved the sixty-five (65)-month Lease with Stockton Architects, Inc., and rental rates, covering office space at Aviation Plaza, owned by Los Angeles World Airports and located at 16461 Sherman Way, Van Nuys, 91406; further approved appropriation of \$11,183 for broker commissions and \$20,170 for tenant improvements; and authorized the Chief Executive Officer to execute said Lease with Stockton Architects, Inc. 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. 27267 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, June 3, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS