

RESOLUTION NO. 27295

WHEREAS, on recommendation of Management, there was presented for approval, sixty-three (63)-month Lease with Jenkins/Gales & Martinez, Inc. covering office space at Skyview Center, which is located at 6033 West Century Boulevard and owned by Los Angeles World Airports; and

WHEREAS, Jenkins/Gales & Martinez, Inc. (JGM) is an existing tenant at Skyview Center on holdover status, and has requested a smaller space to reduce its monthly costs. Los Angeles World Airports (LAWA) staff identified that JGM's existing suite at the Skyview Center can be reduced to accommodate the request. The agreed downsize is from 7,404 square feet to 4,527 square feet. To make the physical reconfiguration changes to the unit, staff negotiated a tenant improvement (TI) allowance in the amount of \$144,864, which will include the cost of updating the suite. While JGM's negotiated TI allowance is higher than some other TI allowances provided previously, staff believes that said allowance is justified in order to secure a five (5)-year lease term with JGM. To offset the loss in rental revenue from downsizing and the TI allowance concession, staff negotiated an increase in the rental rate from \$2.25 per square foot to \$2.35 per square foot, with annual three percent (3%) increases; and

WHEREAS, the new Lease will result in rental revenue to LAWA of approximately \$682,855 over the term that includes three (3) additional months of rent. In addition, common area maintenance (CAM) costs will be recovered through separate charges. Following is a summary of the terms:

	Previous	New
Term	sixty (60) months	sixty-three (63) months
<ul style="list-style-type: none"> • Commencement 	February 1, 2016	following completion of TI work (anticipated to take 150 days), tenant will pay rent during construction at their existing rate
<ul style="list-style-type: none"> • Expiration 	January 31, 2021	sixty-three (63) months after TI work is completed
Demised Premises	7,404 square feet	4,527 square feet
Rent	\$2.25/square foot/month	\$2.35/square foot/month
CAM Base Year	2016	2021
Tenant Improvements	n/a	\$144,864 (\$32/square foot)
Broker Commission	\$58,373.73	\$39,861.34; and

WHEREAS, the terms of the Lease comply with or exceed the underwriting guidelines established by LAWA at the time of the Skyview Center purchase; and

WHEREAS, a total amount of \$184,725 will be appropriated to cover tenant improvements and broker commission as approved in the Skyview Property Management Agreement; 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) of the Los Angeles City CEQA Guidelines. In addition, interior alterations involving remodeling or minor construction where there be negligible or no expansion of use is exempt from CEQA requirements pursuant to Article III, Class 1(1) of the Los Angeles City CEQA Guidelines; and

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WHEREAS, JGM will comply with the provisions of the Living Wage Ordinance, the Affirmative Action Program, and the Child Support Obligations Ordinance; and

WHEREAS, JGM must submit a Business Tax Registration Certificate prior to execution of the Lease; and

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

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

WHEREAS, JGM has been determined by Public Works, Office of Contract Compliance, with the provisions of the Equal Benefits Ordinance prior to execution of the Lease; and

WHEREAS, JGM 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, JGM has submitted the Bidder Contributions CEC Form 55 and the 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 Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Classes 1 (18)(c) and 1 (1) of the Los Angeles City CEQA Guidelines; found that Los Angeles 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 the Skyview Center; approved the sixty-three (63)-month Lease with Jenkins/Gales & Martinez, Inc. covering office space at Skyview Center, which is located at 6033 West Century Boulevard and owned by Los Angeles World Airports; authorized the Chief Executive Officer to execute said Lease with Jenkins/Gales & Martinez, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council; and further approved appropriation of \$39,861 for broker commissions and \$144,864 for tenant improvements, for total of \$184,725.

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I hereby certify that this Resolution No. 27295 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, July 8, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS