

RESOLUTION NO. 27831

WHEREAS, on recommendation of Management, there was presented for approval, Amended and Restated Premier Passenger Lounge Space Lease with Qantas Airways Limited to extend the term through December 31, 2028, covering space in the Tom Bradley International Terminal at Los Angeles International Airport; and

WHEREAS, in February 2013, by Resolution 25031, the Board of Airport Commissioners (Board) approved a premier passenger lounge space lease (Lease) with Qantas Airways Limited (Qantas) in the Tom Bradley International Terminal (TBIT) at Los Angeles International Airport (LAX); and

LAX

Van Nuys

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Beatrice C. Hsu
Interim Chief Executive Officer

WHEREAS, in 2013, Los Angeles World Airports (LAWA) completed the modernization of TBIT that provided new areas for airline premium passenger lounges. In accordance with its Lease, LAA-8763, Qantas completed construction and opened its new 41,592-square foot lounge on November 6, 2013. The Lease has a ten (10)-year term that will expire on November 5, 2023; and

WHEREAS, to plan for future leasing of TBIT lounge spaces, in early 2023, LAWA released an Expression of Interest (EOI) to the airlines operating in TBIT in order to determine their interest to continue leasing existing lounge spaces. In response to the EOI, Qantas requested to continue its Lease; and

WHEREAS, based on Qantas' request, LAWA negotiated to extend the Lease through December 31, 2028. The Amended and Restated Premier Passenger Lounge Space Lease (Amendment) will require that Qantas refurbish the lounge before the 2028 Los Angeles Olympics. Qantas must submit a proposal to refurbish the demised premises within twelve (12) months of the commencement date of the Amendment and complete the refurbishment within twenty-four (24) months following LAWA's approval of the proposed improvements; and

WHEREAS, the lounge may only be used to serve One World-affiliated airlines' premium passengers and passengers from approved membership programs, including partner bank card holders. Qantas must secure LAWA Chief Executive Officer's prior approval if it wishes to make any adjustments to users that may access the lounge; and

WHEREAS, Qantas will continue to pay base rent at Board-approved rate, which is currently \$275.63 per square foot per year, and 20% of all revenues earned from the sale of goods and services in the lounge. In addition, Qantas will pay to LAWA a portion of the fees collected from pay-per-use access to the lounge. All other terms of the Lease remain unchanged. Following is a summary of the terms.

Description	Amendment Terms
Commencement of Amendment	upon approval by the Board and City Council
Extension of Term	approximately 5 years, unless early termination by LAWA
Expiration	December 31, 2028
Extension Option	none
Demised Premises	41,592 square feet



(table continued)

Description	Amendment Terms
Permitted Use	Premium Passenger Lounge
Refurbishment Plan	12 months from Commencement of Amendment
Refurbishment Completion	24 months from LAWA approval of Refurbishment Plan
Base Rent in Year 1 of the Extended Term	\$11,500,000 per year, subject to annual rate adjustment
Additional Rent	20% of gross receipts of sale of goods and services; and the greater of 20% of lounge access fee or \$6 per passenger (as adjusted annually by Consumer Price Index); 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, Qantas will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, Qantas will comply with the provisions of the Affirmative Action Program; and

WHEREAS, Qantas has been assigned Business Tax Registration Certificate 0002108861; and

WHEREAS, Qantas will comply with the provisions of the Child Support Obligations Ordinance; and

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

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

WHEREAS, Qantas has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and

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

WHEREAS, Qantas will comply with the provisions of MLO CEC Form 50; 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; approved the Amended and Restated Premier Passenger Lounge Space Lease with Qantas Airways Limited to extend the term through December 31, 2028, covering space in the Tom Bradley International

Terminal at Los Angeles International Airport; and authorized the Interim Chief Executive Officer, or designee, to execute said Amended and Restated Premier Passenger Lounge Space Lease with Qantas Airways Limited after approval by the Los Angeles City Council and approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 27831 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, October 19, 2023.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS