

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to a proposed lease with Air New Zealand Limited for storage of aircraft parts and for an aircraft maintenance operation at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the lease with Air New Zealand Limited at LAX.
3. CONCUR with the Board's action of December 17, 2013 by Resolution No. 25299 authorizing the Executive Director to execute the lease with Air New Zealand Limited for storage of aircraft parts and for an aircraft maintenance operation at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed concession lease agreement between the Department of Airports and Air New Zealand Limited will generate annual revenue for the Department of Airports of approximately \$245,600, excluding annual rent adjustments. The proposed lease agreement complies with the Department's adopted financial policies and will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE - APRIL 5, 2014**

**(LAST DAY FOR COUNCIL ACTION - APRIL 4, 2014)**

## SUMMARY

At a regular meeting held on March 25, 2014, your Trade, Commerce and Tourism Committee considered a Los Angeles World Airports transmittal relative to a five-year lease to Air New Zealand Limited at an off-terminal facility located at 7007 West Imperial Highway, LAX. The CAO reports that the facility will provide office space as well as areas to store aircraft parts and perform minor aircraft maintenance. Approval of the proposed lease, which has a term of five years with a five-year extension option, will provide the Department with annual revenue of approximately \$245,600, excluding annual rent adjustments and an upgraded facility. The Board approved the proposed lease and building rental rate during a meeting on December 17, 2013. The above-referenced aspects of the agreement, and this report, incorporate revised information received from the Department subsequent to the initial request submittal. Pursuant to Charter Section 606, Council approval of the proposed lease is required because the cumulative term exceeds five years.

An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
LABONGE:	YES
BUSCAINO:	ABSENT
BONIN:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**