

RESOLUTION NO. 27953

WHEREAS, on recommendation of Management, there was presented for approval, Fifth Amendment to Terminal Facilities Lease and License Agreement LAA-8757 with Southwest Airlines Co. to extend the term through June 30, 2025, covering space in Terminal 1 at Los Angeles International Airport; and

WHEREAS, said Terminal Facilities Lease and License Agreement LAA-8757 with Southwest Airlines Co. (Southwest) covering space in Terminal 1 (herein referred to as T1 Lease) was approved by the Board of Airport Commissioners (Board) in 2013, by Resolution 25009; and

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

**Board of Airport
Commissioners**

Karim Webb
President

Matthew M. Johnson
Vice President

Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco

John Ackerman
Chief Executive Officer

WHEREAS, in April 2023, by Resolution 27716, the Board approved a ground lease (LAA-9213) to allow Southwest to develop and operate Concourse 0 on land immediately adjacent to Terminal 1 (herein referred to as the C0 Lease). Concourse 0 will be dependent on the existing passenger and baggage processing infrastructure in Terminal 1, which Southwest currently leases. The construction to connect Concourse 0 to Terminal 1 will impact Southwest's existing T1 Lease premises; and

WHEREAS, the C0 Lease allows eighteen (18) months for Los Angeles World Airports (LAWA) and Southwest to negotiate and determine the final scope of the Concourse 0 project and the impacts to the T1 Lease premises. Upon completion of the Concourse 0 final scope, LAWA staff will present the Concourse 0 Final Terms Lease Amendment to the Board for approval; and

WHEREAS, full execution of the C0 Lease did not occur until October 2, 2023. Therefore, the eighteen (18)-month period that the C0 Lease provides to finalize the Concourse 0 project and execute the necessary amendments to the C0 Lease and the T1 Lease runs through April 2, 2025. Since the current term of the T1 Lease expires on June 30, 2024, the Fifth Amendment to extend the T1 Lease by one (1) year through June 30, 2025 will provide appropriate time to complete work contemplated in the C0 Lease; and

WHEREAS, the Fifth Amendment to the T1 Lease will result in annual Terminal Buildings Rent of \$52.1 million for the one (1)-year lease extension, excluding rent escalation; 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, Southwest is required by contract to comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances; and

WHEREAS, Southwest is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Southwest is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and

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



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

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

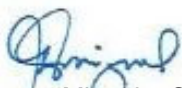
WHEREAS, Southwest will be required to comply with the provisions of the First Source Hiring Program for all non-trade Los Angeles International Airport jobs; and

WHEREAS, 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 California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the Fifth Amendment to Terminal Facilities Lease and License Agreement LAA-8757 with Southwest Airlines Co. to extend the term through June 30, 2025, covering space in Terminal 1 at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said Fifth Amendment to Terminal Facilities Lease and License Agreement LAA-8757 with Southwest Airlines 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. 27953 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, June 13, 2024.

A handwritten signature in blue ink, appearing to read "Grace Miguel".

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS