



RESOLUTION NO. 27458

WHEREAS, on recommendation of Management, there was presented for approval, Second Amendment to Lease LAA-8565 with Federal Express Corporation to adjust the premises, covering the aircraft maintenance facility located at 7401 World Way West, to enable construction of the Taxiway D Project at Los Angeles International Airport; and

LAX
Van Nuys
City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Beatrice C. Hsu
President

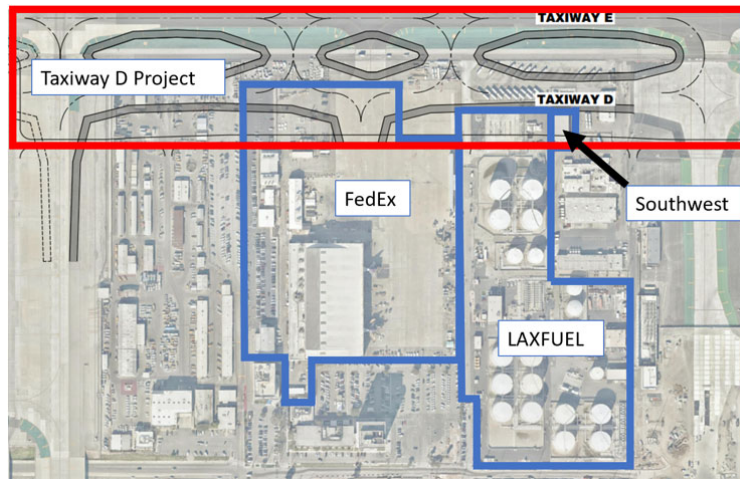
Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, in 2011, by Resolution 24402, the Board of Airport Commissioners approved a ten (10)-year lease (LAA-8565) with Federal Express Corporation (FedEx) for said facility. The maintenance facility was originally comprised of 982,796 square feet of land and 193,570 square feet of facilities, including hangar, offices, and shops. In 2021, said Board approved the First Amendment to said lease, which extended the term by 38 months and added two (2) one-year extension options, in addition to reducing the land square footage by 26,700 square feet and adjusting the rental rates; and

WHEREAS, as part of the Airfield and Terminal Modernization Program (ATMP), Los Angeles World Airports (LAWA) will be making several airfield improvements at Los Angeles International Airport. One of the key improvements is the extension of Taxiway D, which will improve operational management of aircraft movements in the north airfield. The Taxiway D project, tentatively scheduled to commence in the summer of 2022, will impact several tenant leaseholds, including Southwest Airlines Co.'s ground service equipment maintenance facility, LAXFuel Corporation's aircraft fueling facility, and FedEx's aircraft maintenance facility, as illustrated below; and



WHEREAS, the Taxiway D project requires that LAWA take 161,218 square feet of FedEx's premises to allow for construction of the extended taxiway. LAWA and FedEx staff have agreed to the Second Amendment, which will remove the 161,218 square feet from the leasehold and provide 40,975 square feet of replacement space on an adjacent parcel to provide needed employee parking. The net impact of the space change is to reduce the leased demised premises by 120,243 square feet. It is estimated that LAWA will take back the required land areas by January 1, 2023. All other terms of the lease remain unchanged; 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, any activity (approval of bids, execution of contracts, allocation of funds, etc.) for which the underlying project



has previously been evaluated for environmental significance and processed according to the requirements of CEQA is exempt from further review pursuant to Article II, Section 2.i. of the Los Angeles City CEQA Guidelines. The ATMP Environmental Impact Report was certified by the Board of Airport Commissioners on October 7, 2021 (Resolution 27351); and

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

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

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

WHEREAS, FedEx must be determined by Public Works, Office of Contract Compliance, with the provisions of the Equal Benefits Ordinance prior to execution of the lease amendment; and

WHEREAS, FedEx 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, FedEx has submitted the Bidder Contributions CEC Form 55 and MLO Bidders 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 pursuant to Article III, Class 1 (18)(c) and Article II, Section 2.i. of the Los Angeles City CEQA Guidelines; approved the Second Amendment to Lease LAA-8565 with Federal Express Corporation to adjust the premises, covering the aircraft maintenance facility located at 7401 World Way West, to enable construction of the Taxiway D Project at Los Angeles International Airport; and authorized the Chief Executive Officer to execute said Second Amendment to Lease LAA-8565 with Federal Express Corporation 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. 27458 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, March 17, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS