

RESOLUTION NO. 27670

WHEREAS, on recommendation of Management, there was presented for approval, five (5)-year Lease with Singapore Airlines Limited, and associated building rental rate, covering the property located at 6181 West Imperial Highway within Los Angeles International Airport; and

WHEREAS, Singapore Airlines Limited (Singapore) began cargo operations at Los Angeles International Airport (LAX) as a subtenant in the Imperial Cargo Complex in 1987. In 1997, the Board of Airport Commissioners (Board) approved a 25-year ground lease (LAA-7633) with Singapore to construct a 64,226-square foot cargo building at 6181 West Imperial Highway. Said lease required that Singapore invest no less than \$9.5 million to develop new cargo facilities on the site. Singapore successfully completed construction and has been a tenant in good standing since commencement of said lease. It processes approximately 39,000 tons of belly and freighter cargo annually through the facility that it constructed for its needs; and

WHEREAS, said Lease LAA-7633 expires on March 2, 2023. Singapore approached Los Angeles World Airports (LAWA) to request a new lease. LAWA staff negotiated a short-term five (5)-year lease to allow Singapore to continue cargo operations while LAWA reviews options for future planning of cargo at LAX. Accordingly, LAWA and Singapore staff agreed to the new five-year Lease for the facilities; and

WHEREAS, on the effective date of the new Lease, ownership of the cargo improvements that Singapore made in 1997, pursuant to its Lease LAA-7633, will revert to LAWA. Therefore, under the new Lease, Singapore will pay market rent for the facilities resulting in an additional annual revenue to LAWA. As part of the negotiations, Singapore agreed to a building rental rate of \$25.55 per square foot per year, which is consistent with other comparable cargo facilities at LAX. In addition, Singapore will pay current Board-approved rates for land and paving areas; and

WHEREAS, the Lease includes an early termination provision that allows either party to terminate after the first 42 months of the five (5)-year term with 180-day advance written notice. This provides LAWA flexibility while it looks at options for future planning of cargo at LAX. The new Lease includes all standard LAWA terms and provisions. Following are the key elements of the previous and new leases:

	Previous Lease	New Lease
<b>Term:</b>		
Effective Date	March 3, 1998	March 3, 2023
Expiration Date	March 2, 2023	March 2, 2028
Early Termination	None	after the 42nd month, 180-day advance written notice by either party
<b>Premises:</b>		
Building	0 square feet	64,226 square feet
Land	156,254 square feet	156,254 square feet
Automobile Paving	0 square feet	73,423 square feet
Aircraft Paving	0 square feet	18,204 square feet



(table continued)

	Previous Lease	New Lease
Rental Rates:		
Improvements	\$0.00/square foot/year	\$25.55/square foot/year
Land	\$4.89/square foot/year	\$ 4.89/square foot/year
Aircraft Paving	\$0.00/square foot/year	\$ 0.94/square foot/year
Automobile Paving	\$0.00/square foot/year	\$ 0.48/square foot/year
First Year Rent	\$764,000	\$ 2,507,000
Total Rent [five (5) years]		\$13,314,000
Rental Rate Adjustments:		
Annual Adjustment	Consumer Price Index on July 1	3% on July 1
Periodic Adjustment	Land Rate Adjustment: November 1, 2018	Land Rate Adjustment: July 1, 2025
	Improvement Rate Adjustment: n/a	Improvement Rate Adjustment: upon lease commencement date; 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, Singapore will comply with the provisions of the Affirmative Action Program and Child Support Obligations Ordinance; and

WHEREAS, Singapore is assigned Business Tax Registration Certificate 0002647623-0001-7; and

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

WHEREAS, Singapore must submit the Contractor Program Pledge of Compliance and comply with the provisions of said program; and

WHEREAS, Singapore must be determined by the Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Lease; and

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

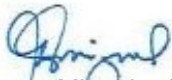
WHEREAS, Singapore must submit the MLO Bidder Contributions CEC Form 50 and comply with its provisions; and

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, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the five (5)-year Lease with Singapore Airlines Limited, and associated building rental rate, covering the property located at 6181 West Imperial Highway within Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said Lease with Singapore Airlines Limited 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. 27670 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 16, 2023.

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

Grace Miguel – Secretary  
BOARD OF AIRPORT COMMISSIONERS