

**CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT** relative to the First Amendment to the Los Angeles World Airports (LAWA) lease with Denny's, Inc., for the restaurant located at Los Angeles International Airport (LAX).

**Recommendations for Council action:**

1. **ADOPT** the determination by the Board of Airport Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act of 1970 (CEQA) in accordance with Article III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. **APPROVE** the First Amendment to the LAWA lease with Denny's, Inc., extending term of the agreement for a restaurant located at 5535 West Century Boulevard at LAX.
3. **CONCUR** with the action taken by the Board of Airport Commissioners on April 19, 2018 by Resolution No. 26483 authorizing the Chief Executive Officer, LAWA, to execute the First Amendment to the lease with Denny's, Inc., for the restaurant located at LAX to extend the term of the agreement for one year, with two one-year renewal options.

**Fiscal Impact Statement:** The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The LAWA indicates that the proposed First Amendment to Lease No. LAA-8758 with Denny's Inc. will result in \$293,000 in additional revenue during the initial one-year term extension.

**Community Impact Statement:** None submitted.

**TIME LIMIT FILE – MAY 21, 2018**

**(LAST DAY FOR COUNCIL ACTION – MAY 18, 2018)**

**SUMMARY**

In a report to the Mayor dated April 24, 2018, the CAO states that LAWA requests authority to amend the lease with Denny's for one year for the continued operation of a restaurant at LAX. The current lease expires April 30, 2018. The Denny's restaurant is on airport property, which will ultimately be required for Landside Access Modernization Program (LAMP) development. LAWA proposes allowing the operation of the restaurant to continue serving the public, which will likely include a large influx of LAMP project construction workers, until the property is needed for LAMP.

According to the CAO, amended lease allows LAWA to terminate the agreement at any time upon a 60-day written notice. The current lease with Denny's is subject to a \$264,523 Minimum Annual Guarantee (MAG) or 6.75 percent of gross receipts, whichever is higher. Under the proposed amendment, the MAG increases to \$293,000 during the initial one-year term extension.

On April 19, 2018, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At its meeting held May 1, 2018, the Trade, Travel, and Tourism Committee recommended that Council authorize LAWA to amend its lease with Denny's, as described above, and as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
RODRIGUEZ:	YES

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**