

CATEGORICAL EXEMPTION and COMMUNICATION FROM CHAIR, TRADE, COMMERCE, AND TOURISM COMMITTEE relative to the proposed lease with Runway Two-Five Corporation for premises at 11022 Aviation Boulevard 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 20-Year Lease with Runway Two-Five Corporation.
3. CONCUR with the Board's action of January 15, 2015 by Resolution No. 25618 authorizing the Executive Director, Los Angeles World Airports (LAWA), to execute the lease with Runway Two-Five Corporation for premises at 11022 Aviation Boulevard at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed lease with Runway Two-Five Corporation will generate approximately \$4.6 million in revenue over the 20-year term, not including annual Consumer Price Index adjustments, five-year market rate adjustments, or additional fees generated by overflow parking. The proposed lease will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE - FEBRUARY 14, 2015

(LAST DAY FOR COUNCIL ACTION - FEBRUARY 13, 2015)

SUMMARY

At a regular meeting held on January 27, 2015, your Trade, Commerce and Tourism Committee Chair considered a LAWA transmittal relative to the proposed lease with Runway Two-Five. The CAO reports that on June 20, 2014, LAWA issued a Request For Proposals (RFP) to initiate the competitive bid process for leasing off-airport property located at 11022 Aviation Boulevard at LAX. The RFP was advertised in local newspapers, business trade journals, Loop-Net (a commercial real estate leasing website), and on the City's Business Assistance Virtual Network. Runway Two-Five Corporation (RTFC) was the only respondent to the RFP and is the current lessee of the property which is operated as The Proud Bird Restaurant. As required by the RFP, RTFC proposes to completely renovate the property by bringing it up to code and replacing the roof. Other improvements are also planned including development of a gift shop and enhanced displays focusing on historical aircraft and aviation. The current LAWA 13-month Lease with RTFC is due to expire on January 31, 2015. An opportunity for public comment was held. After a brief discussion, the Committee Chair moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

COUNCILMEMBER TOM LABONGE, CHAIR
TRADE, COMMERCE, AND TOURISM COMMITTEE

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

-NOT OFFICIAL UNTIL COUNCIL ACTS-