

T 8/16

File No. 15-0212

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the execution of the first amendment to a sublease from American Airlines, Inc. to provide for additional premises in Terminal 4 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 first amendment to the sublease from American Airlines, Inc. under Lease LAA- 4687.
3. CONCUR with the Board's action of June 16, 2016 by Resolution No. 26003 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the first amendment to the sublease from American Airlines, Inc. at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed amendment to the sublease with American Airlines, Inc., will provide rent credit for American Airlines, Inc. of up to \$2.4 million in the first year and an estimated \$27.7 million in rent credit over the term of the sublease. Furthermore, LAWA staff anticipates a minimum of \$2 million in additional revenue will be generated if the proposed concession areas of 11,983 square feet are converted to new concessions. The proposed amendment complies with LAWA's adopted Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – AUGUST 20, 2016

(LAST DAY FOR COUNCIL ACTION – AUGUST 19, 2016)

SUMMARY

At the meeting held on August 2, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAWA transmittal relative to the approval to execute a first amendment to a sublease with American Airlines, Inc. The CAO reports that approval of the proposed amendment will provide approximately 12,048 square feet of additional premises for LAWA through the sublease in Terminal 4 at LAX. Approval of the proposed amendment also will compensate American Airlines, Inc. by providing rent credit of up to \$2.4 million in the first year. The proposed usage for the increased space will be 65 square feet for a lactation room and up to 11,983 square feet for potential new concession areas. The sublease term will expire December 4, 2024 and its premises currently contain 7,396 square feet in Terminal 4. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to be 'Bd Blum', is written across the page.

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	YES
KREKORIAN:	YES
BUSCAINO:	YES
MARTINEZ:	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-