



RESOLUTION NO. 26390

BE IT RESOLVED that the Board of Airport Commissioners approved First Amendment to Lease LAA-8897 with Gavin De Becker & Associates, LP at Los Angeles International Airport to incorporate the demised premises of short-term Lease LAA-8898 into LAA-8897, and approve the Consent to Assignment and Assumption of Lease LAA-8897 to The Private Suite LAX, LLC; as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

**Board of Airport
Commissioners**

Sean O. Burton
President

Valeria C. Velasco
Vice President

Jeffery J. Daar
Gabriel L. Eshaghian
Beatrice C. Hsu
Thomas S. Sayles
Dr. Cynthia A. Telles

Deborah Flint
Chief Executive Officer

BE IT FURTHER RESOLVED that the Board of Airport Commissioners authorized the Chief Executive Officer to execute said First Amendment upon approval as to form by the City Attorney and upon approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that the Board of Airport Commissioners authorized the Chief Executive Officer to execute the Consent to the Assignment and Assumption of Lease LAA-8897 to The Private Suite LAX, LLC upon approval as to form by the City Attorney and upon approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that the 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 the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III Class 1(18)(c) of the Los Angeles City CEQA Guidelines; and

BE IT FURTHER RESOLVED that 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.

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I hereby certify that this Resolution No. 26390 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, December 14, 2017.

Sandra J. Miller – Secretary
BOARD OF AIRPORT COMMISSIONERS

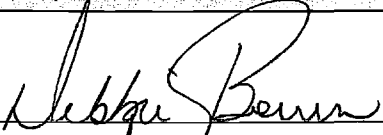


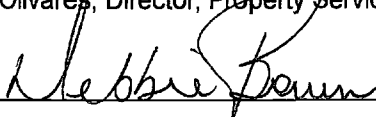



Los Angeles World Airports

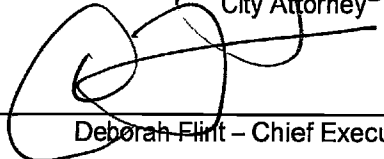
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REPORT TO THE BOARD OF AIRPORT COMMISSIONERS


Approved by: Ramon Olivares, Director, Property Services


Reviewed by: Debbie Bowers, Chief Commercial Officer


City Attorney


Deborah Flint - Chief Executive Officer

Meeting Date:

12/14/2017

CAO Review:

- Completed
- Pending
- N/A

Reviewed for	Date	Approval Status	By
Finance	11/28/2017	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	11/27/2017	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	JH
Procurement	11/27/2017	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cond	MT
Guest Experience	11/27/2017	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY

SUBJECT: Approval of the First Amendment to Lease LAA-8897 with Gavin De Becker Associates, LP and the Consent to Assignment and Assumption to The Private Suite LAX, LLC.

Approve the First Amendment to Lease LAA-8897 with Gavin De Becker Associates, LP at Los Angeles International Airport to incorporate the demised premises of short-term Lease LAA-8898 into LAA-8897, and approve the Consent to Assignment and Assumption of Lease LAA-8897 to The Private Suite LAX, LLC.

RECOMMENDATIONS:

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE 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.
3. APPROVE the First Amendment to Lease LAA-8897 with Gavin De Becker Associates, LP.
4. CONSENT to the Assignment and Assumption of Lease LAA-8897 to The Private Suite LAX, LLC.
5. AUTHORIZE the Chief Executive Officer to execute the First Amendment to Lease LAA-8897 upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

6. AUTHORIZE the Chief Executive Officer to execute the Consent to the Assignment and Assumption of Lease LAA-8897 upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

To consolidate the premises associated with two related Leases providing for the transfer and security screening of airline passengers at a privately-operated remote passenger terminal at Los Angeles International Airport (LAX), and to transfer terminal operating responsibility to a newly-formed affiliated entity.

2. Prior Related Actions

- November 19, 2015 - Resolution No. 25837 (LAA-8897) and Resolution No. 25838 (LAA-8898)
The Board of Airport Commissioners (Board) approved a ten-year Lease with Gavin De Becker Associates, LP for implementation of a remote passenger terminal at LAX, and approved a three-year Lease to facilitate access, temporary operations and construction activities associated with the longer-term Lease.

3. Current Action

Gavin De Becker Associates, LP (GDBA) was the successful bidder to Los Angeles World Airports' (LAWA) June 2015 Request For Bids for the construction and operation of a remote passenger terminal at LAX. GDBA commenced operations in May 2017 at the facility, located at 6871 and 6875 W. Imperial Highway under two ground leases: LAA-8897, consisting of 43,750 square feet (SF) of land, and LAA-8898, consisting of 20,950 SF of land. This operation is the first of its kind at a United States airport. The facility provides Customs and Border Protection services to international passengers and direct screening services for domestic and international passengers by the Transportation Security Administration.

The proposed First Amendment will incorporate the adjacent premises of the three-year, 20,950 SF Lease into the ten-year, 43,750 SF Lease, thus consolidating the premises of the two Leases. The three-year Lease will be terminated upon the effective date of the First Amendment. Additionally, GDBA proposes to transfer and assign, under an Assignment and Assumption Agreement, its rights, title, and interests under the two Leases to an affiliated new entity, The Private Suite LAX, LLC, which will be responsible for operating the remote passenger facility. Under the terms of the proposed Consent to Assignment and Assumption of Lease, the terms of the existing Lease Guaranty Agreement between the City and Gavin De Becker & Associates Holdings, LLC, as Guarantor, remain in full force and effect.

The table below provides a summary of key elements of the proposed First Amendment:

LEASE SUMMARY		
	Current	Proposed
LEASE TERM	10 years	No Change
DEMISED PREMISES:	Land – 43,750 SF	Land – 64,700 SF
RENT: Monthly Rent	\$ 291,112	\$ 303,802
Annual Rent	\$3,493,340	\$3,645,621
*Board-approved land rates apply; adjusted annually, per CPI; minimum 2% increase.		

Action Requested

Staff requests the Board approve the First Amendment, approve the Consent to Assignment and Assumption of Lease and authorize the Chief Executive Officer to execute the First Amendment and the Consent after approval as to form by the City Attorney and approval by the Los Angeles City Council.

Fiscal Impact

This action will have no impact on LAWA revenue.

4. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended. The proposed First Amendment preserves the revenue stream of the approved operations of the Lease and consolidation of facilities.

STANDARD PROVISIONS:

1. The 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 the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. This item is subject to approval as to form by the City Attorney.
3. 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.

4. Gavin de Becker and Associates LP is required by contract to comply with the provisions of the Living Wage Ordinance.

For the Consent to Assignment, The Private Suite LAX, LLC will comply with the same.

5. The Small Business Enterprise Program does not apply to leases.

6. Gavin de Becker and Associates LP is required by contract to comply with the provisions of the Affirmative Action Program.

For the Consent to Assignment, The Private Suite LAX, LLC will comply with the same.

7. Gavin de Becker and Associates LP has been assigned Business Tax Registration Certificate number 0000646077- 0001 -8.

For the Consent to Assignment, The Private Suite LAX, LLC must submit a Business Tax Registration Certificate number prior to execution of the Consent to Assignment.

8. Gavin de Becker and Associates LP is required by contract to comply with the provisions of the Child Support Obligations Ordinance.

For the Consent to Assignment, The Private Suite LAX, LLC will comply with the same.

9. Gavin de Becker and Associates LP has approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to execution of the Lease Agreement.

For the Consent to Assignment, The Private Suite LAX, LLC must have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to execution of the Consent to Assignment.

10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. Gavin de Becker and Associates LP has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.

For the Consent to Assignment, The Private Suite LAX, LLC must submit the Contractor Responsibility Program Questionnaire and Pledge of Compliance and comply with its provisions prior to execution of the Consent to Assignment.

12. Gavin de Becker and Associates LP has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance.

For the Consent to Assignment, The Private Suite LAX, LLC must be determined by Public Works, Office of Contractor Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Consent to Assignment.

13. Gavin de Becker and Associates LP is required to comply with the provisions of the First Source Hiring Program for all non-trade Airport jobs.

For the Consent to Assignment, The Private Suite LAX, LLC will be required to comply with the same.

14. Gavin De Becker and Associates LP has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions. For the Consent to Assignment, The Private Suite LAX, LLC must submit the Bidder Contributions CEC Form 55 and comply with its provisions.