

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the consent to assignment and assumption of the Los Angeles World Airports (LAWA) lease with Gavin De Becker & Associates, LP, to The Private Suite LAX, LLC.

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 (CEQA) in accordance with Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the First Amendment for the consent to assignment and assumption of the LAWA lease (No. LAA-8897) with Gavin De Becker & Associates, LP, to The Private Suite LAX, LLC, for the remote passenger terminal at Los Angeles International Airport (LAX) at 6871 and 6875 West Imperial Highway.
3. CONCUR with the Board of Airport Commissioners' action of December 14, 2017 by Resolution No. 26390 authorizing the Chief Executive Officer, LAWA, to execute the First Amendment to the lease with Gavin De Becker & Associates, LP for remote passenger terminal at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund nor LAWA's Capital Budget. Approval of the proposed lease amendment with Gavin De Becker Associates, LP and the consent to assignment and assumption of the amended lease by The Private Suite LAX, LLC, to continue operation of a remote passenger terminal at LAX will generate \$3,645,621 in annual lease revenue to LAWA. The proposed lease amendment and consent to assignment of the amended lease for the purpose of transferring the terminal operating responsibility to a subsidiary of Gavin De Becker Associates, LP comply with LAWA's adopted financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – FEBRUARY 9, 2018

(LAST DAY FOR COUNCIL ACTION – FEBRUARY 9, 2018)

SUMMARY

In a report to the Mayor dated January 10, 2018, the CAO states that LAWA requests authority to amend an existing 10-year lease with Gavin De Becker Associates, LP, and approve the assignment to and assumption of the amended lease. The request includes consolidation of a second, related, three-year lease (LAA-8898) into one master lease (LAA-8897) with a newly-created entity: The Private Suite LAX, LLC. According to the CAO, the estimated annual lease revenue the combined properties is \$3,645,621, exclusive of rental rate adjustments.

The CAO reports that the two leases, for a total of 64,700 square feet of land at 6871 and 6875 West Imperial Highway, are for a privately-operated remote passenger terminal and lounge. The private passenger terminal, located south of the Central Terminal Area, enables the transfer of

high visibility passengers to and from their flights without attracting media attention, reduces the level of Airport Police security assigned to this category of passenger, and reduces passenger congestion. Leases for the contiguous properties are being consolidated in order to combine and transfer the terminal operating responsibilities from Gavin De Becker to The Private Suite LAX for the purpose of obtaining sufficient operational space to meet the requirements of the Customs and Border Patrol, Transportation Security Administration, and Homeland Security; and, conforming to the lessee's original plan to form a dedicated entity, within the Gavin De Becker holding company umbrella, for the sole purpose of operating the remote passenger terminal. On December 14, 2017, the Board of Airport Commissioners approved the amendment. The CAO concurs with this action.

At its meeting held January 16, 2018, the Trade, Travel, and Tourism Committee for the consent to assignment and assumption of LAWA's lease with Gavin De Becker & Associates, LP, to The Private Suite LAX, LLC, 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:	YES
KREKORIAN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-