

 Report to the BOARD OF AIRPORT COMMISSIONERS		Item Number 11																								
<p><i>Marla Bleavins</i> <small>Marla Bleavins (Apr 4, 2025 12:24 PDT)</small></p> <p>Approver: _____ Marla Bleavins, Chief Airport Administrative Officer</p> <p><i>Brian C. Ostler</i></p> <p>Reviewer: _____ Brian C. Ostler, City Attorney</p> <p><i>John Ackerman</i></p> <p>_____</p> <p>John Ackerman, Chief Executive Officer</p>	<p>Meeting Date</p> <p style="text-align: center; font-size: 1.2em;">4/17/2025</p> <hr/> <p>Needs Council Approval: <input checked="" type="checkbox"/> Y</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="font-size: 0.8em;">Reviewed for/by</th> <th style="font-size: 0.8em;">Date</th> <th style="font-size: 0.8em;">Approval Status</th> <th style="font-size: 0.8em;">By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>3/28/2025</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>3/13/2025</td> <td><input checked="" type="checkbox"/> Y</td> <td>AG</td> </tr> <tr> <td>Procurement</td> <td>3/20/2025</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond</td> <td>JL</td> </tr> <tr> <td>Guest Experience</td> <td>3/19/2025</td> <td><input checked="" type="checkbox"/> Y</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>3/18/2025</td> <td><input checked="" type="checkbox"/> Y</td> <td>BNZ</td> </tr> </tbody> </table>		Reviewed for/by	Date	Approval Status	By	Finance	3/28/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	CEQA	3/13/2025	<input checked="" type="checkbox"/> Y	AG	Procurement	3/20/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	JL	Guest Experience	3/19/2025	<input checked="" type="checkbox"/> Y	TB	Strategic Planning	3/18/2025	<input checked="" type="checkbox"/> Y	BNZ
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SUBJECT

Request to adopt the following report and approve the award of a ten-year lease to Jet Pets, Inc., for an off-airport animal quarantine and kennel facility located at 9111 S. Falmouth Avenue at Los Angeles International Airport that will generate approximately \$881,000 in the first year and approximately \$8,810,000 over the term of the agreement, exclusive of rental rate adjustments.

DISCUSSION

1. Purpose

The proposed lease will allow Jet Pets, Inc. (Jet Pets) to continue providing an animal quarantine and kennel facility at Los Angeles International Airport (LAX) and generate non-aeronautical revenue.

2. Prior Related Actions/History of Board Actions

- **May 17, 2010 – Resolution No. 24114 (UTC-011421)**

Jet Pets entered into a Use Terms and Conditions (UTC) agreement with the City of Los Angeles on April 1, 2011, located at 9111 S. Falmouth Avenue at LAX.

3. Background

The demised premises consist of approximately 21,212 square feet (SF) of building space, 90,609 SF of land, and 69,396 SF of paving. The property is comprised of stables, kennels, and administrative offices. The site has been used for over 40 years for the operation of a United States (U.S.) Department of Agriculture (USDA)-approved import/export quarantine facility for horses and livestock serving most of the western U.S. and Canada.

4. Current Action/Rationale

The proposed 10-year lease includes a building rate of \$1.29 per square foot per year (PSFPY) with an adjusted increase annually by three percent every July 1st. The building rate of \$1.29 PSFPY rate was proposed by Jet Pets during the Request for Proposals (RFP) process and met the minimum rent requirement. Under the proposed lease, Jet Pets will be responsible for all maintenance and repair of the premises, and either party may terminate the lease with no less than one year's advanced written notice.

5. Selection Process

In January 2024, Los Angeles World Airports (LAWA) released the RFP for the site for a proposed term of 10 years. Only one proposal was received, and Jet Pets, Inc. was identified as the successful proposer.

6. Fiscal Impact

Approval of the proposed lease will generate approximately \$881,000 in the first year and approximately \$8.8 million over term, excluding annual rent adjustments.

7. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended, as not approving the proposed Lease will risk the loss of the tenant, one that provides unique animal care and transport services for LAX passengers and would also result in a potential loss of revenue to Los Angeles World Airports.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

The Board is hereby requested to adopt the staff's determination that this item, involving issuance of permits, leases, agreements, berth and space assignments, and renewals, amendments, or extensions thereof, or other entitlements granting use of existing airport facilities or its operations, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or their designee, to execute the proposed lease with Jet Pets, Inc. This action is subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

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.

Location Map

