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Report to the BOARD OF AIRPORT COMMISSIONERS

Approver:

Marla Bleavins

Marla Bleavins, Chief Airport Administrative Officer

Reviewer:

Brian C. Ostler

Brian C. Ostler, City Attorney

John Ackerman

John Ackerman, Chief Executive Officer

Meeting Date

7/17/2025

Needs Council Approval: ☒ Y

Reviewed for/by	Date	Approval Status	By
Finance	6/25/2025	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS
CEQA	6/17/2025	<input checked="" type="checkbox"/> Y	AG
Procurement	6/25/2025	<input type="checkbox"/> Y <input checked="" type="checkbox"/> Cond	JL
Guest Experience	6/24/2025	<input checked="" type="checkbox"/> Y	TB
Strategic Planning	6/20/2025	<input checked="" type="checkbox"/> Y	BNZ

SUBJECT

Request to adopt the following report and approve the award of a 10-year lease to Balboa Brick and Supply Corporation for an off-airport property located at 16755 Roscoe Boulevard at Van Nuys Airport that will generate revenue of \$219,433 in the first year and approximately \$2,200,000 over the term of the lease, exclusive of rental rate adjustments.

DISCUSSION

1. Purpose

The proposed lease will allow Balboa Brick and Supply Corporation to continue providing retail sales of masonry materials and landscape supplies to the local community and generate non-aeronautical revenue.

2. Prior Related Actions/History of Board Actions

- **June 2, 2014 – Resolution No. 25422 (Lease No. VNA-8823)**

The Board approved a five-year lease with Balboa Brick and Supply Corporation (Balboa Brick) for property located at 16755 Roscoe Boulevard at Van Nuys Airport (VNY).

- **September 10, 2019 – Resolution No. 26838 (Lease No. VNA-9082)**

The Board approved a one-year lease with Balboa Brick for property located at 16755 Roscoe Boulevard at VNY.

3. Background

The demised premises consist of 44,196 square feet (sqft.) of non-aviation land, which includes approximately 2,054 sqft. of office and storage space. The property is comprised of a small single-story office building and a storage building. The prior lease (VNA-9032) expired in September 2019, but Balboa Brick has continued to maintain and operate the site under a month-to-month lease. The site has been used for the sale of masonry materials and landscaping supplies for over ten years.

4. Current Action/Rationale

The proposed 10-year lease includes a land rate of \$4.80 per square foot per year (psfpy) and building rate of \$3.55 psfpy, applied to the land and building square footages, respectively, with the rates subject to annual adjustments tied to the Consumer Price Index. These adjustments will range from two to seven percent and will take effect every July 1st, except in the years when a fair market rental adjustment is conducted, starting on the fifth anniversary and every five years thereafter.

In addition, under the proposed lease, Balboa Brick will be responsible for the maintenance and upkeep of the premises.

5. Selection Process

In August 2024, Los Angeles World Airports (LAWA) released a Request for Proposals for the aforementioned site for a proposed term of 10 years. Two proposals were received, and Balboa Brick was identified as the successful proposer.

6. Fiscal Impact

Approval of the proposed lease will generate \$219,433 in the first year and approximately \$2.2 million over the term of the lease, exclusive of annual and periodic adjustments.

7. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended, as failing to approve the proposed lease could potentially result in a loss of revenue to LAWA.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

The Board is hereby further requested to adopt staff's determination that this item, involving 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 California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the proposed lease with Balboa Brick 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.