



Approved by:	Marla Bleavins Chief Airport Administrative Officer	
ITEM TYPE	<input type="checkbox"/> Award <input checked="" type="checkbox"/> Amendment <input checked="" type="checkbox"/> Appropriation <input type="checkbox"/> Policy/Program	
SUBJECT	Request to adopt the following report and to approve the First Amendment to Office Lease LAA-9202 with University of Southern California, a nonprofit corporation, to extend the term by 58 months for office space in the Los Angeles World Airports-owned Skyview Center, located at 6033 West Century Boulevard, which will generate approximately \$721,380 in net revenue over the extended term; and to appropriate funds in the amounts of \$51,120 for tenant improvements and \$49,308.67 for broker commissions.	

Item REQUIRES City Council Approval.
 Item is subject only to STANDARD REVIEW by the City Council.

DISCUSSION

1. Background and Necessity of Requested Action

12-17-2013	Resolution #25301 (LAA-8802)	Lease Award
Established a lease with University of Southern California (USC) for a one-year term for Suites 960 and 985 at Skyview Center (Skyview).		
03-12-2015	Resolution #25642 (LAA-8847)	Lease Award
Established a lease with USC for a 25-month term in Suite 960 at Skyview Center.		
02-16-2017	Resolution #26174 (LAA-8960)	Lease Award
Established a lease with USC for a 60-month term beginning April 1, 2017, in Suites 920 and 960 at Skyview Center.		
07-22-2022	Resolution # 27530 (DA-5560)	Award
Approved an agreement with Colliers International Real Estate Management Services, Inc. (Colliers) covering property management and leasing for both Skyview at 6033/6053 W. Century Boulevard and Aviation Plaza in Van Nuys.		

12-01-2022	Resolution #27633 (LAA-9202)	Lease Award
Established a lease with USC for a 39-month term in Suites 920 and 960 at Skyview Center, which expires on October 31, 2025.		

Currently, 117,935 square feet, or 28.6 percent, of the space at Skyview is available to lease. The tenant has been at Skyview since 2001 providing aviation and system safety certificate programs, and other aviation related courses.

The terms of the proposed amendment include a rental rate of \$2.75 per square foot with three percent annual increases. In accordance with Los Angeles World Airports' (LAWA) leasing incentives, the proposed amendment provides a rental abatement of \$42,174 which is the equivalent of three months of free rent that will be applied to the first year of the extended term.

Not approving the proposed amendment would result in the loss of the existing tenant and missed revenue (before expenses) to LAWA of approximately \$126,500 in the initial year.

2. **Selection Process:** Competitive process. Other process. Not applicable.
3. **Fiscal Impact:** None. Revenue generation. Cost/cost recovery. Other.

Approval of this item will generate \$721,383 of revenue to LAWA over the 58-month term after rental abatement, tenant improvements, and broker commissions are deducted.

4. **Alternative Actions:** Alternatives considered. No alternatives considered.

Lease to Another Tenant	No other parties have expressed interest in the space, and there are no other prospective tenants known to exist for these premises.
--------------------------------	--

APPROPRIATIONS

- Appropriation required. No appropriation required. Funding is available.

Staff request that funds be appropriated and allocated in the amounts of \$51,120 for tenant improvements and \$49,308.67 for broker commissions as approved in the Property Management and Leasing Agreement with Colliers at Aviation Plaza and Skyview Center.

INCLUSIVITY & IMPACT

- Goals/requirements identified. No goals/requirements stipulated. N/A or other.

PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff's determination that the requested 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.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the First Amendment to Lease LAA-9202 with University of Southern California, a nonprofit corporation, subject to approval as to form by the City attorney and approval by the Los Angeles City Council.

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.