LAWA
LOS ANGELES WORLD AIRPORTS

Report to the
BOARD OF AIRPORT COMMISSIONERS
Meeting Date: 9/23/2026

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Approved by:	**Jean-Pierre Tabet** Deputy Executive Director Commercial Development Group
Item Type	☒ Award ☐ Amendment ☐ Appropriation ☐ Policy/Program ☐ Other
Subject	Request to adopt the following report and approve the Award of a new Lease to VNY Development II LLC, a Delaware limited liability company wholly owned by Sky Harbour Group Corporation, a Delaware corporation, for the use and potential redevelopment of a general aviation facility located at 16425 Hart Street at Van Nuys Airport for an initial five-year term, which may be extended for up to two additional years, with one additional twenty-five- year extension option, for a maximum term of thirty-two years, generating approximately $820,000 in revenue during the first year and a minimum of $29.24 million in total revenue over the full thirty-two year term.

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

DISCUSSION

1. Background and Necessity of Requested Action

On December 5, 2025, Los Angeles World Airports (LAWA) staff released a Request for Proposals (RFP) seeking a qualified operator to lease and redevelop a general aviation facility located at 16425 Hart Street at Van Nuys Airport (VNY) consisting of 8.83 acres of land and 69,400 square feet of combined hangar and office space. Approximately 7.66 acres are currently zoned as general aviation land and approximately 1.17 acres are currently zoned for commercial use.

On April 24, 2026, LAWA received two proposals in response to the RFP. Following the evaluation process, VNY Development II LLC was determined to be the highest ranked proposer. LAWA subsequently completed negotiations for an initial five-year term, which may be extended up to two additional years for unforeseen construction delays, with one twenty-five-year extension option, for a maximum term of thirty-two years.

Under the proposed Lease, VNY Development II LLC has committed to investing approximately $23 million to modernize and potentially redevelop the property. VNY Development II LLC will attempt to change the zoned use of the portion of the property currently zoned for commercial use and seek all governmental approvals necessary to construct proposed improvements. The proposed improvements may include the renovation

and modernization of existing hangars, development of additional hangar and office space, ramp and aircraft parking improvements, sustainability enhancements, and construction of tenant amenities to support home-based aircraft operations. If VNY Development II LLC is unable to rezone the commercial portion of the property to general aviation use, the proposed improvements may include a facility for office and/or other commercial use with less development space dedicated to hangar and other aviation uses. The proposed lease does not approve nor authorize construction of any proposed improvements. Lessee shall not proceed with any future development or any renovation plan prior to compliance with the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), and all other applicable laws.

During the proposed redevelopment phase, VNY Development II LLC will create 227 temporary construction-related positions. Once fully operational, VNY Development II LLC will create 120 permanent positions. Over the course of the redevelopment and ongoing operations, VNY Development II LLC will create a total of 347 positions, 120 of which will be permanently sustained. In addition to the 347 job opportunities that will be created, VNY Development II LLC will contribute to the community through a fully self-funded program, in conjunction with Sky Harbour Academy to train up to 12 local interns annually in preparation for careers as certified aviation line service technicians. VNY Development II LLC also promotes diversity, equity, and inclusion through partnerships with Minority Business Enterprises (MBEs) Disadvantaged Business Enterprises (DBEs), Small Business Enterprises (SBEs), Disabled Veteran Business Enterprises (DVBEs), and Women Business Enterprises (WBEs) and will implement inclusive procurement through LAWA's business inclusion program, local network inclusion channels, and through a labor agreement partnership with LiUNA's Local 300 of Los Angeles. VNY Development II LLC's commitment to the local community includes partnerships with local organizations such as, the Los Angeles Chapter of the Tuskegee Airmen Inc., Experimental Aircraft Association – Chapter 40, and LAUSD's North Valley Occupational Center, focusing on career opportunities for historically underrepresented communities establishing training and long-term career placement.

The proposed Lease will generate long-term revenue to LAWA while supporting facility modernization, capital improvements, sustainability objectives, workforce development, and economic development at VNY.

2. **Selection Process:** ☒ Competitive process. ☐ Other process. ☐ Not applicable.

The Lease was negotiated pursuant to a competitive RFP process that resulted in the selection of VNY Development II LLC as the highest ranked proposer.

☐ Request to find that Charter Sec. 1022 is applicable to this action.

3. **Fiscal Impact:** ☐ None. ☒ Revenue generation. ☐ Cost/cost recovery. ☐ Other.

The Lease will generate a minimum of $29.24 million in revenue over the full thirty-two year term, assuming the renewal option is exercised and annual supplemental rent of $100,000 begins in year 3, excluding revenue sharing related to proposed hangar development and any rate adjustments.

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

No alternatives were considered because the proposed lease is the result of a competitive RFP process and reflects the negotiated agreement with the highest ranked proposer.

APPROPRIATIONS

☐ Appropriation required. ☒ No appropriation required. ☐ Funding is available.

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 proposed action consists of the approval of a lease for the use of existing municipal airport facilities. Therefore, the proposed action is categorically exempt from CEQA.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the Lease with VNY Development II LLC 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.