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 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 7701 Woodley Avenue at Van Nuys Airport for an initial five-year term which may be extended for up to 2 additional years with one additional twenty-five year extension option, for a maximum term of thirty-two years, generating approximately $1.95 million in revenue in the first year and a minimum of $83.4 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 aviation land located at 7701 Woodley Avenue at Van Nuys Airport (VNY) consisting of approximately 16 acres of improved land and 150,559 square feet of combined hangar, office and storage space.

On April 28, 2026, LAWA received six proposals in response to the RFP. Following the evaluation process, VNY Development LLC was determined to be the highest ranked proposer. Los Angeles World Airports subsequently completed negotiations for an initial five-year term which may be extended up to 2 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 LLC has committed to invest approximately $110 million to potentially redevelop and modernize the property. The proposed improvements include potential renovation and modernization of existing hangars, the potential construction of new hangars and support facilities, aircraft ramp improvements, sustainability enhancements, and the potential development of an aviation campus to accommodate home-based aircraft operations. The proposed lease does not approve or 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 LLC will create 427 temporary construction-related jobs and 173 permanent positions upon full operation, for a total of 600 jobs. In addition, the company will partner with Sky Harbour Academy to fund a workforce development program that trains up to 12 local interns annually for careers as certified aviation line service technicians. In addition, VNY Development LLC will promote 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). Van Nuys Development LLC will also advance inclusive procurement through LAWA's business inclusion program, local outreach networks, and a labor partnership with LiUNA Local 300. VNY Development LLC also supports the local community through partnerships with organizations, such as the Los Angeles Chapter of the Tuskegee Airmen, Experimental Aircraft Association Chapter 40, and LAUSD's North Valley Occupational Center, to expand workforce training and career opportunities for historically underrepresented communities.

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 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 $83.4 million in revenue over the full 32-year term, assuming the renewal option is exercised and annual supplemental rent of $750,000 begins in year 5, excluding revenue sharing related to proposed 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 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.