LAWA
LOS ANGELES WORLD AIRPORTS

Report to the
BOARD OF AIRPORT COMMISSIONERS
Meeting Date: 8/27/2026

Item No. 1

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 a one-year Lease, with a one-year extension option with Aerovias Empresa De Cargo S.A. De C.V., and associated building rental rate, covering certain premises located at 6851 West Imperial Highway at Los Angeles International Airport, generating approximately $6,422,602 in revenue over the potential two-year term, exclusive of rental rate adjustments.	

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

DISCUSSION

1. Background and Necessity of Requested Action

10-15-2013	**Resolution #25253** (LAA-9068)	Award
Established a five-year lease with Aerovias Empresa De Cargo S.A. De C.V. (Aerovias) for cargo facilities at 6851 W. Imperial Highway at Los Angeles International Airport (LAX) under LAA-9068.		
06-20-2019	**Resolution #26779** (LAA-9068A)	First Amendment
Extended the lease term through February 19, 2023.		

Los Angeles World Airports (LAWA) is currently advancing comprehensive planning efforts to evaluate the long-term use of airport property and supporting assets at LAX. These efforts involve extensive coordination among LAWA divisions, industry stakeholders, consultants, developers, and other partners to assess future operational requirements, infrastructure needs, redevelopment opportunities, and overall land use strategies. The planning process encompasses a broad range of airport-supporting functions, including cargo operations, ground service equipment (GSE) facilities, maintenance facilities, and other peripheral support uses that are essential to airport operations and the communities served by LAX. Given the complexity and scale of these initiatives, additional time is required to complete the analyses and planning activities necessary to inform future development decisions.

As part of these efforts, LAWA is placing particular focus on facilities located within the Century, Imperial East, and Imperial West areas of the airport. These areas accommodate a

diverse mix of airport-supporting uses, including cargo operations, GSE facilities, maintenance functions, and other operational support services that are critical to the efficient movement of passengers, cargo, and aircraft throughout LAX. While these planning activities continue, LAWA seeks to maintain operational continuity within these areas and avoid disruptions to existing tenants and airport-related operations.

Aerovias currently occupies cargo facilities within the Imperial West area at 6851 W. Imperial Highway under Lease LAA-9068, which has expired and is presently in holdover status. As LAWA continues evaluating future land use, operational needs, and redevelopment opportunities affecting these areas, a short-term leasing strategy is being implemented to maintain continuity for existing tenants while aligning building rental rates with current market conditions, as reflected by proposals received for a similar facility under a recent competitive process. Los Angeles World Airports therefore proposes a short-term lease consisting of an initial one-year term with a one-year extension option. Approval of the lease would transition the tenant out of holdover status, support uninterrupted cargo operations, and provide LAWA with the flexibility necessary to complete its ongoing planning efforts. The proposed short-term leasing strategy will generate approximately $1,323,473 (25.95%) in additional gross rental revenue over the lease term, including the extension option.

Failure to approve the Lease could disrupt LAWA's efforts to transition existing tenants out of holdover status while broader redevelopment planning initiatives remain underway.

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

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

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

   The proposed Lease will generate approximately $3,087,403 in revenue during the initial lease year. Total revenue over the potential two-year term is estimated at approximately $6,422,602, excluding any rental rate adjustments that may occur in accordance with the terms and conditions of the Lease.

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

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, which applies to the issuance of permits, leases, agreements, berth and space assignments, and renewals, amendments, or extensions thereof involving existing facilities and land use areas with negligible or no expansion of use and/or no alteration or modification of the facilities or operations beyond that previously existing or permitted.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the lease with Aerovias Empresa De Cargo S.A. De C.V. 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.