



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE  
REFER TO FILE: AV-0

October 18, 2001

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**LEASE AGREEMENT BETWEEN COUNTY OF LOS ANGELES AND  
M & D AIRCRAFT STORAGE, INC., FOR THE CONSTRUCTION  
OF AIRCRAFT STORAGE HANGARS WITH OFFICE SPACE AT  
WHITEMAN AIRPORT, PACOIMA  
SUPERVISORIAL DISTRICT 3  
4 VOTES**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that this lease is exempt from the provisions of the California Environmental Quality Act (CEQA).
2. Approve and instruct the Mayor to sign the enclosed Lease Agreement between the County of Los Angeles and M & D Aircraft Storage, Inc., for construction of two aircraft storage hangar buildings with office space on approximately 77,800 square feet of land at Whiteman Airport in the Pacoima area of the City of Los Angeles for a term of 30 years, including a 10-year option, at an initial monthly rent of \$100, commencing on November 1, 2001, with incremental increases to \$1,552 per month on November 1, 2002, and ultimately to \$3,112 per month on May 1, 2003, or upon completion of construction, whichever occurs first, and terminating at midnight on October 31, 2031.
3. Instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager and operator for the collection of all rents to be paid.

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### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

We are requesting that your Board approve and instruct the Mayor to sign the Lease Agreement between the County of Los Angeles and M & D Aircraft Storage, Inc., for construction of two aircraft storage hangar buildings with office space on approximately 77,800 square feet of land at Whiteman Airport at a full build-out annual rent of \$37,344 for 30 years, including a 10-year option. We are also requesting that your Board find that this lease is exempt from the provisions of CEQA, and instruct the Director of Public Works to make the necessary arrangements with the County's contract airport manager for collection of the rents to be paid.

On August 13, 1991, your Board approved the Whiteman Airport Master Plan. The approved Master Plan recommends the addition of aircraft storage hangars to accommodate the rising demand for these types of facilities. Approval of this lease will allow development of an underutilized parcel of airport property into an airport-compatible use which will also increase airport revenues and reduce maintenance costs. The lease will be consistent with the adopted Master Plan and will provide an aircraft storage facility to the airport users. Also, it will provide a continued revenue flow to the County's Aviation Enterprise Fund.

The terms of this lease were negotiated by our airport management contractor and appear to be fair and reasonable.

### **Implementation of Strategic Plan Goals**

This action is consistent with the Strategic Plan Goal of Fiscal Responsibility as awarding this lease will provide more revenue to the County which, in turn, will be used to maintain and upgrade the airports to meet current FAA standards. It also satisfies the Goal of Service Excellence by providing more user-friendly aircraft storage facilities for airport users which will accommodate the rising demand for these types of storage hangars at Whiteman Airport.

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### **FISCAL IMPACT/FINANCING**

The initial monthly rental rate will be \$100. The monthly rent will incrementally increase to \$1,552 per month on November 1, 2002, and ultimately to \$3,112 per month upon completion of construction or May 1, 2003, whichever occurs first, with annual cost of living adjustments based on the Consumer Price Index (CPI).

Our management contractor, American Airports Corporation (AAC), will collect the revenues. As provided for in our Airport Management Contract Agreement, AAC will distribute 45 percent of the lease payment into the Aviation Enterprise Fund.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

This lease has been reviewed from a legal standpoint and approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed lease is a categorically exempt project, as specified in Class 3(d) of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, Synopsis 57.

### **CONTRACTING PROCESS**

It is not applicable for this lease.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of this lease will result in an increase of the customer base at Whiteman Airport while allowing development of an underutilized parcel of airport property into an airport-compatible use which will increase the airport revenue stream to the County and reduce maintenance costs.

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**CONCLUSION**

The original and three (3) copies of the lease, executed by M & D Aircraft Storage, Inc., are enclosed.

1. Please have the Mayor sign the original and all copies, and return three (3) fully executed, original signature/stamped copies to the Aviation Division.
2. It is further requested that conformed copies of the lease be distributed to:
  - a. County Counsel
  - b. Auditor-Controller, General Claims Division
  - c. Assessor, Possessory Interest Division

Respectfully submitted,

JAMES A. NOYES  
Director of Public Works

TAG:hz  
M&D AircraftStorage/B-2

Enc.

cc: Chief Administrative Officer  
County Counsel