

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to Los Angeles World Airports (LAWA) Concession and Lease Agreements with the seven rental car companies at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.
2. APPROVE Concession and Lease Agreements with Avis Budget Car Rental, LLC; Enterprise Rent-A-Car Company of Los Angeles, LLC; The Hertz Corporation; Fox Rent A Car, Inc.; Advantage Opco, LLC, d.b.a. Advantage Rent A Car; DR Car Rental, Inc.; and Sixt Rent a Car, LLC; for the operation of rental car concession and the lease of space at the Consolidated Rental Car (ConRAC) facility at LAX.
3. CONCUR with the action taken by the Board of Airport Commissioners on August 16, 2018 by Resolution No. 26583, authorizing the Chief Executive Officer, LAWA, to execute Concession and Lease Agreements with the aforementioned seven rental car companies.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the proposed agreements will generate approximately \$2.4 billion in revenue over the agreement terms of 25 years. Authorization for an appropriation and allocation of an amount not to exceed \$30 million, from the LAX Revenue Fund, is being requested to provide Tenant Improvement Funds. Award of the agreements complies with LAWA financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – SEPTEMBER 24, 2018

(LAST DAY FOR COUNCIL ACTION – SEPTEMBER 21, 2018)

SUMMARY

In a report to the Mayor dated August 30, 2018, the CAO states that LAWA requests authority to award and execute Concession and Lease Agreements with the seven rental car companies mentioned above to operate concessions at ConRAC at LAX. The agreements are for terms of 20 years with options for five-year extensions.

According to the CAO, LAWA's Landside Access Modernization Program includes projects to reduce traffic congestion around LAX and within the Central Terminal Area, improve the travel experience for passengers, and connect LAX to the area's regional public and private transportation system. One project is ConRAC. ConRAC will be located approximately two miles east of LAX, near the 405 Freeway (Manchester Square area). The seven rental car companies represent 14 rental car brands which are authorized to operate on-airport at LAX, and will operate out of the planned ConRAC after it is constructed. It is anticipated that the new ConRAC will

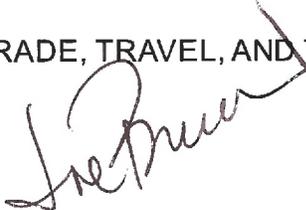
reduce traffic congestion and improve customer experience and operational efficiency.

The CAO goes on to report that the proposed agreements maintains existing concession fees and increases facility charge fee when ConRAC opens. On August 16, 2018, the Board of Airport Commissioners approved LAWA's request. The CAO concurs with this action.

At its meeting held September 4, 2018, the Trade, Travel, and Tourism Committee discussed this matter with representatives of LAWA and the CAO. LAWA staff stated that concession fees are consistent with fees charged by other large airports. Rental rates paid by the car rental companies are based on land appraisals. Revenue projections are conservative estimates and take into account changing driver habits and new technologies and services. Committee recommended that Council approve the proposed agreements, as recommended by the Board of Airport Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	YES
KREKORIAN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-