

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Second Amendment to the Los Angeles World Airports (LAWA) Concession Agreement with Smarte Carte, Inc.

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (BOAC) that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1 (31) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Second Amendment to LAWA Concession Agreement LAA-8940 with Smarte Carte, Inc., to modify the monthly concession fee and management fee and establish rental rate increases for Calendar Years 2021 and 2022, for a luggage cart concession at Los Angeles International Airport.
3. CONCUR with the action taken by the BOAC on January 7, 2021, by Resolution No. 27189, authorizing the Chief Executive Officer, LAWA, to execute the Second Amendment to Concession Agreement LAA-8940 with Smarte Carte, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. LAWA anticipates a decrease in its annual costs by approximately \$2,000,000. Funds for this item are available in the Fiscal Year 2020-21 LAWA Operating Budget in Cost Center No. 2001097, Commitment Item No. 520160 – Operations Contracts. Funding for subsequent fiscal years will be requested as part of LAWA's annual budget process. The proposed Second Amendment complies with LAWA's financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – MARCH 15, 2021

(LAST DAY FOR COUNCIL ACTION – MARCH 3, 2021)

SUMMARY

In a report to the Mayor dated February 16, 2021, the CAO states that LAWA approval of a proposed Second Amendment to its luggage cart concession agreement with Smarte Carte, Inc. The proposed amendment reduces the management fee that LAWA pays to Smarte Carte, modifies the concession rent that Smarte Carte pays to LAWA, and increases the rental rate for luggage carts from \$6.00 to \$7.00 on January 1, 2021, and from \$7.00 to \$8.00 on January 1, 2022.

According to the CAO, Smarte Carte currently has a non-exclusive right to operate and maintain luggage cart services at LAX which expires December 31, 2023, with three one-year extension options, subject to the approval of LAWA.

On January 7, 2021, BOAC approved the proposed Second Amendment to its luggage cart

concession agreement with Smarte Carte, Inc. The CAO concurs with this action.

At its meeting held February 23, 2021, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed amendment, as recommended by BOAC and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
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BUSCAINO:	YES
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BONIN:	YES
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LEE:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-