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File No. 14-0769

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the Equipment Acquisition Agreements (Agreements) with Tom Bradley International Terminal Equipment Company (TBITEC) to acquire upgrades to the baggage handling systems in the Tom Bradley International Terminal and the Midfield Satellite Concourse at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Agreements (\$185,000,000 and \$75,000,000) with TBITEC to acquire upgrades to the baggage handling systems in the Tom Bradley International Terminal and the Midfield Satellite Concourse at LAX.
3. CONCUR with the Board's action of November 17, 2016 by Resolution No. 26115 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the Agreements with TBITEC to acquire upgrades to the baggage handling systems in the Tom Bradley International Terminal and the Midfield Satellite Concourse at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that LAWA indicates that the Midfield Satellite Concourse-Bradley West Baggage Enhancement Project is an approved capital project at LAX. LAWA requests an appropriation and allocation of \$185,000,000 from the LAX Revenue Fund to Work Breakdown Structure (WBS) Element 1.17.15A-700 for the installation of the baggage handling system equipment for the new Midfield Satellite Concourse. LAWA has also requested an appropriation and allocation of \$75,000,000 from the LAX Revenue Fund to WBS Element 1.17.14A-700 to improve the baggage handling system in the Tom Bradley International Terminal. The capital costs of these projects will be recovered through terminal rates and charges. The proposed agreements will have no impact on the General Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – FEBRUARY 28, 2017

(LAST DAY FOR COUNCIL ACTION – FEBRUARY 28, 2017)

SUMMARY

At the meeting held on January 17, 2017, your Innovation, Grants, Technology, Commerce and Trade Committee considered a Board transmittal relative to Agreements with TBITEC to acquire upgrades to the baggage handling systems in the Tom Bradley International Terminal and the Midfield Satellite Concourse at LAX. The CAO reports that TBITEC was originally formed in 1982 as the Los Angeles International Airport Terminal Equipment Company (LAXTEC), a nonprofit corporation comprised of 20 major international airlines who would occupy the new Tom Bradley International Terminal at LAX. On October 1, 2011, LAXTEC was transitioned to TBITEC due to changing requirements of LAWA. The TBITEC leases, operates, and maintains

various aeronautical equipment, including the baggage system, in the Tom Bradley International Terminal pursuant to Lease and License Agreement LAA-8600. Section 8.03(b) of the Lease allows LAWA, subject to the approval of the Board, to acquire equipment that TBITEC purchases and installs if the useful life will extend beyond the term of the Lease. Under such circumstances, the capital costs of the equipment are typically included in terminal rent pursuant to the LAX Passenger Terminal Tariff. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the Board's transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-