

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the second amendment to the agreement with Westfield Airports, LLC (Westfield) to extend the term two years and six months for management of the concessions in Terminal 2 (T2) 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 second amendment to Terminal Commercial Management Concession Agreement LAA-8613 with Westfield.
3. CONCUR with the Board's action of April 21, 2016 by Resolution No. 25936 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the second amendment of the agreement with Westfield to extend the term two years and six months for premises in T2 at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed amendment will generate a minimum of \$8.5 million in additional revenue for LAWA over the two-and-one-half year term extension with no additional cost to LAWA and no appropriation of funds from LAWA's Capital or Operating Budgets. Both the second amendment and the underlying agreement comply with LAWA's adopted Financial Policies. Approval of the proposed amendment with Westfield will have no impact on the City's General Fund.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – JUNE 8, 2016**

**(LAST DAY FOR COUNCIL ACTION – JUNE 8, 2016)**

SUMMARY

At the meeting held on May 17, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAWA transmittal relative to approval to execute a second amendment to Terminal Commercial Management Concession Agreement LAA-8613 with Westfield. The second amendment will extend the term of performance for concessions management at LAX T2 by two years and six months (to January 31, 2032) for the purpose of aligning the termination date with that of the Tom Bradley international Terminal concession agreement, which was extended for three years by the first amendment and approved by the Council in June 2015 (Council file No. 15-0131). In addition to the Tom Bradley International Terminal extension, the first amendment also extended the term of performance for T2 for six months, to July 31, 2029, to accommodate a LAWA request to expand the scope of work and expedite the completion of improvements needed in time for the City's hosting of the 2015 Special Olympics. By extending the T2 term an additional two and one-half years, the concession

agreements for the Tom Bradley International Terminal concessions and those for T2 will conclude at the same time. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the 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> |
|---------------|-------------|
| BLUMENFELD:   | YES         |
| BONIN:        | YES         |
| KREKORIAN:    | YES         |
| BUSCAINO:     | YES         |
| MARTINEZ:     | ABSENT      |

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**