

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed first amendment to the Terminal Commercial Management Concession Agreement with Westfield Concessions Management, LLC (Westfield) in the Tom Bradley International Terminal at Los Angeles International Airport (LAX).

Recommendation for Council action:

SUBMIT WITHOUT RECOMMENDATION the following recommendations of the Board of Airport Commissioners:

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 first amendment with Westfield at LAX.
3. CONCUR with the Board's action of January 15, 2015 by Resolution No. 25616 authorizing the Executive Director, Los Angeles World Airports (LAWA), to execute the first amendment to the Terminal Commercial Management Concession Agreement with Westfield in the Tom Bradley International Terminal at LAX.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed amendment will generate approximately \$35.5 million in additional revenue for LAWA over the three-year extension period and will help LAWA to avoid paying settlement claims of approximately \$8.4 million to Westfield for construction cost increases attributable to LAWA. Both the proposed first 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 - MARCH 6, 2015

(LAST DAY FOR COUNCIL ACTION - MARCH 4, 2015)

SUMMARY

At a regular meeting held on February 24, 2015, your Trade, Commerce and Tourism Committee considered a LAWA transmittal relative to first amendment to Terminal Commercial Management Concession Agreement LAA-8613 with Los Angeles-based Westfield Concessions Management, LLC, a division of the Westfield Group of Sydney, Australia, to extend the term of performance for three years for concessions in the new Tom Bradley International Terminal and six months for concessions in Terminal 2 at LAX.

LAWA staff provided an overview of the matter. An opportunity for public comment was held in which several Westfield tenants brought up issues and asked questions about the contract extension. LAWA staff members returned to the table to respond to additional questions by the Committee members. After further discussing the matter, the Committee voted unanimously to submit this matter to Council without recommendation inasmuch as the file needed to be acted on by March 4, 2014, yet the Committee needed the time to work on the issues brought up at the meeting. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-