

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending a Los Angeles World Airports (LAWA) Terminal Commercial Management Concession Agreement with Westfield Airports, LLC, for additional concession space 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 categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. **APPROVE** the Third Amendment to Terminal Commercial Management Concession Agreement No. LAA-8613 with Westfield Airports, LLC, at LAX to add up to 30,000 square feet to the premises of concession space in the Midfield Satellite Concourse and generate \$76.8 million in additional revenue over the term of the agreement.
3. **CONCUR** with the action taken by the Board of Airport Commissioners on October 5, 2017 approving Resolution No. 26355 authorizing the Chief Executive Officer, LAWA, to execute the Third Amendment to Terminal Commercial Management Concession Agreement LAA- 8613 with Westfield Airports, LLC at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the proposed amendment will generate a minimum of \$6.4 million in annual revenue for LAWA and approximately \$76.8 million over the 12-year operational period with no additional cost and no appropriation of funds from the Department's Capital or Operating Budgets. Both the Third Amendment and the underlying agreement comply with LAWA's adopted financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE - NOVEMBER 20, 2017

(LAST DAY FOR COUNCIL ACTION - NOVEMBER 8, 2017)

SUMMARY

In a report to the Mayor dated October 16, 2017, the CAO states that LAWA requests authority to execute the Third Amendment to Terminal Commercial Management Concession Agreement with Westfield Airports, LLC. The proposed amendment will add 30,000 square feet of unoccupied and unreserved concession space in the form of retail and food and beverage concessions in the new Midfield Satellite Concourse west of the Tom Bradley International Terminal at LAX. The new Midfield Satellite Concourse is scheduled to open during the first quarter of 2020. According to the CAO, for the purpose of planning, designing, and constructing the concession spaces, it is important that this amendment be executed at this time. On October 5, 2017, the Board of Airport Commissioners approved the proposed amendment. The CAO concurs with this action.

At its meeting held November 7, 2017, the Trade, Travel, and Tourism Committee discussed this matter with representatives of LAWA and the CAO. The LAWA representative stated that the Department is looking for space to offer more amenities to improve the passenger experience at LAX. The Department proposed amending the agreement with Westfield because the new Midfield Satellite Concourse is located near the Tom Bradley International Terminal. Expanding the existing management of concession services is more practical than going out to bid in this instance. Committee members encouraged LAWA to consider offering free services to travelers such as entertainment, child play areas, and quiet and rest areas. Committee recommended that Council approve the Third Amendment to the Terminal Commercial Management Concession Agreement with Westfield Airports, LLC, 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-