

RESOLUTION NO. 27310

WHEREAS, on recommendation of Management, there was presented for approval, First Amendment to Concession Agreement LAA-9094 with Crews Hospitality, LLC to extend the term through June 30, 2025, covering operation of a food and beverage concession in Terminal 7 at Los Angeles International Airport; and

LAX
Van Nuys
City of Los Angeles

Eric Garcetti
Mayor

**Board of Airport
Commissioners**

Beatrice C. Hsu
President

Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, three (3)-year Concession Agreement LAA-9094 with Crews Hospitality, Inc. was executed in February 2020, and features a unit co-branded with Los Angeles iconic locations Randy's Donuts and Hilltop Coffee and Kitchen. The concession was awarded through a competitive Request for Proposals process to enhance the food and beverage and coffee offerings in the southern end of Terminal 7; and

WHEREAS, the timing for opening the concession has been seriously impacted by the drastic decline in passenger traffic due to the impacts of the COVID-19 pandemic, which started the month after award of the Agreement. As a result of the pandemic, Los Angeles World Airports (LAWA), at the request of the concessionaire, delayed the delivery date of the space and agreement commencement date to July 1, 2021, in accordance with an option in the Agreement that allows the Chief Executive Officer to extend both dates. Therefore, because the Agreement had not commenced when the Board of Airport Commissioners approved concession relief last year, it was not included in the package that suspended the Minimum Annual Guarantee rent and extended the term of in-terminal concession agreements by two (2) years; and

WHEREAS, the First Amendment will extend the term of the Agreement by two (2) years, from June 30, 2023 to June 30, 2025. The additional years will provide the concessionaire with the term originally contemplated and provide the appropriate opportunity to recoup the initial investment and earn adequate returns; and

WHEREAS, in addition, said adjustment will align with the termination dates for other food and beverage concession units in the terminal and allow for a more holistic solicitation and re-leasing plan for the terminal concessions program; and

WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18) (c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Crews Hospitality, LLC is required by contract to comply with the provisions of the Living Wage Ordinance; and

WHEREAS, Crews Hospitality, LLC is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Crews Hospitality, LLC has been assigned Business Tax Registration Certificate 0000099582-0000-1; and

WHEREAS, Crews Hospitality, LLC is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and



WHEREAS, Crews Hospitality, LLC has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, Crews Hospitality, LLC has submitted the Contractor Responsibility Program Questionnaire and Pledge of Compliance, and will comply with the provisions said program; and

WHEREAS, Crews Hospitality, LLC must be determined by Public Works, Office of Contract Compliance, to be in full compliance with the provisions of the Equal Benefits Ordinance, prior to execution of the Amendment; and

WHEREAS, Crews Hospitality, LLC is required by contract to comply with the provisions of the First Source Hiring Program for all non-trade Los Angeles International Airport jobs; and

WHEREAS, Crews Hospitality, LLC has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

WHEREAS, Crews Hospitality, LLC has submitted the MLO Bidder Contributions CEC Form 50, and will comply with its provisions; and

WHEREAS, Crews Hospitality, LLC will comply with the provisions of the Iran Contracting Act; and

WHEREAS, actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 606;

NOW, THEREFORE, BE IT RESOLVED that the Board of Airport Commissioners adopted the Staff Report; determined that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; found that the work can be performed more economically or feasibly by an independent contractor than by City employees; approved the First Amendment to Concession Agreement LAA-9094 with Crews Hospitality, LLC to extend the term through June 30, 2025, covering operation of a food and beverage concession in Terminal 7 at Los Angeles International Airport; and authorized the Chief Executive Officer to execute said First Amendment to Concession Agreement LAA-9094 with Crews Hospitality, LLC after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27310 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, August 12, 2021.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS