

Approved by:	Jean-Pierre Tabet Deputy Executive Director Commercial Development Group	
ITEM TYPE	☐ Award ☒ Amendment ☐ Appropriation ☐ Policy/Program ☐ Other	
SUBJECT	Request to adopt the following report and approve the Seventh Amendment to Terminal Media Operator Concession Agreement LAA-8796 with JCDcaux Airport, Inc. covering advertising and sponsorship at Los Angeles International Airport to extend the term for an additional year through December 31, 2028, and upgrade the Media Systems at the Tom Bradley International Terminal and Terminals 4 and 5.	

☒ Item REQUIRES City Council Approval. ☐ Item is subject only to STANDARD REVIEW by the City Council.

DISCUSSION

1. Background and Necessity of Requested Action

10-1-2020	Resolution #27118 (LAA-8796D)	Amendment
Approved the Concessions Relief Program, an amendment to all Concession Agreements, which extended terms by two years.		
10-21-21	Resolution #27363 (LAA-8796E)	Amendment
Approved an amendment to all Concession Agreements to revise payment terms due to the impact of COVID-19.		
01-16-2025	Resolution #28089 (LAA-8796F)	Amendment
Approved a one-year extension with a one-year additional extension option to JCDcaux Airport, Inc. (JCD).		

JCDcaux Airport, Inc. has been the Terminal Media Operator (TMO) at Los Angeles International Airport (LAX) since 2014, providing advertising and sponsorship throughout all of the terminals and in the Central Terminal Area. Revenues from the TMO agreement have exceeded \$276 million over the term to date.

As LAX is undergoing a transformation and many of the terminals are under construction, the inventory of available advertising and sponsorship locations for a new Request for Proposals (RFP) is uncertain. The proposed amendment will allow JCD to continue operating as the TMO until such time as a strategic RFP can be issued.

In addition to operating as the TMO since 2014, JCD also brings Olympic and Paralympic out-of-home, public space experience as they were the media operator for the 2024 Summer Olympic Games including at Paris-Charles De Gaulle and Paris Orly Airports.

The Integrated Environmental Media System (IEMS) in the Tom Bradley International Terminal (TBIT) Core, including the Time Tower and the Storyboard, is in immediate need of upgrades. As part of this amendment, JCD will complete LAWA vetted and CEO approved upgrades to the TBIT IEMS (not to exceed \$25 million), and Media Assets in Terminal 4 (not to exceed \$11 million) and Terminal 5 (to be determined) pursuant to the process set forth in Amendment Exhibit XX. In the event JCD ceases to be the TMO at the end of this extended term, LAWA shall pay JCD the unamortized depreciation of the LAWA approved asset improvements to be determined pursuant to the process described in Amendment Exhibit XX. The Parties also acknowledge that the improvements require significant capital outlay by JCD and that the limited extension term may not permit full recovery through normal contract operations. Accordingly, the Amendment provides that LAWA will pay JCD pursuant to the Capital Outlay Recovery Mechanism described in Exhibit XX, 25% of the then-unamortized value of the approved asset improvements at the end of the applicable calendar year.

Lastly, as part of the amendment, JCD will increase the revenue share with Los Angeles World Airports (LAWA) from 70 percent to 73 percent for 2028.

2. **Selection Process:** ☒ Competitive process. ☐ Other process. ☐ Not applicable.

In 2014, LAWA issued a competitive process for the TMO opportunity. Two companies, JCD and Clear Channel, responded to the opportunity. Based on evaluation and selection criteria, JCD was determined to be the successful bidder.

3. **Fiscal Impact:** ☐ None. ☒ Revenue generation. ☐ Cost/cost recovery. ☐ Other.

The increased revenue share from 70 percent to 73 percent will result in an additional \$1.3 million in revenue to LAWA in calendar year 2028.

4. **Alternative Actions:** ☒ Alternatives considered. ☐ No alternatives considered.

Issue a Competitive Bid	While considered, issuing a new RFP at present is not recommended. This alternative was ruled out due to timing and the necessary work to be completed prior to the 2028 Olympic and Paralympic Games.
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APPROPRIATIONS

- ☐ Appropriation required. ☒ No appropriation required. ☐ Funding is available.

INCLUSIVITY & IMPACT

☐ Goals/requirements identified. ☐ No goals/requirements stipulated. ☒ N/A or other.

PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff's determination that the requested action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2(f) (Continuing administrative, maintenance, and personnel-related activities) and Article III, Class 1(18)(c) (Issuance of permits, leases, agreements, berth and space assignments, and renewals, amendments, or extensions thereof, or other entitlements granting use of existing facilities and land and water use areas involving negligible or no expansion of use and/or alteration or modification of the facilities or operations beyond that previously existing or permitted) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute the Seventh Amendment to Terminal Media Operator Concession Agreement LAA-8796 with JCDecaux Airport, Inc. subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

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.