

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to a Los Angeles World Airports (LAWA) Consent to Brand Sponsorship to Terminal Media Operator Concession Agreement between JCDecaux Airport Inc., and American Express Travel Related Services, Inc., and Sponsorship Amenity Premier Passenger Lounge Space Lease with American Express Travel Related Services, Inc.

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 of 1970 (CEQA) in accordance with Article III Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
2. **APPROVE** the LAWA Consent to Brand Sponsorship to Terminal Media Operator Concession Agreement between JCDecaux Airport Inc., and American Express Travel Related Services, Inc., and related Sponsorship Amenity Premier Passenger Lounge Space Lease with American Express Travel Related Services, Inc.
3. **CONCUR** with the action taken by the Board of Airport Commissioners on April 5, 2018 by Resolution No. 26463 authorizing the Chief Executive Officer, LAWA, to execute: the Consent to Brand Sponsorship to Terminal Media Operator Concession Agreement between JCDecaux Airport Inc., and American Express Travel Related Services, Inc., for a period of 10 years; and, the Sponsorship Amenity Premier Passenger Lounge Space Lease with American Express Travel Related Services, Inc., covering areas specific to the Tom Bradley International Terminal at Los Angeles International Airport (LAX) for a period of 10 years.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. The Lounge Space Lease will generate revenue for the LAWA in the amount of approximately \$2,800,000 the first year, and \$33,400,000 over the 10-year term. The agreements comply with the LAWA adopted financial policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – MAY 21, 2018

(LAST DAY FOR COUNCIL ACTION – MAY 18, 2018)

SUMMARY

In a report to the Mayor dated April 19, 2018, the CAO states that LAWA requests authority to approve a Consent to Brand Sponsorship agreement between JCDecaux and American Express Travel Related Services, Inc., and to execute a Sponsorship Amenity Premier Passenger Lounge Space Lease with American Express Travel Related Services, Inc. JCDecaux is responsible for market advertising; branding designing, developing, installing, constructing, operating, managing, and maintaining advertising displays and sponsorships; and, developing and marketing media agreements for sponsorships at LAX. American Express is required to invest a minimum of \$5,576,800 to design, construct, and manage a premier

passenger lounge for the duration of the lease term. The proposed agreements will help facilitate LAX advertising and sponsorships.

According to the CAO, LAWA's underlying Terminal Media Operator agreement, requires JCDecaux to invest a minimum of \$21,500,000 to develop and operate additional facilities and equipment to encourage the sale of advertising and sponsorships at LAX, provide LAWA with guaranteed revenues exceeding \$180,000,000 over the term of the agreement, and provide LAWA with over \$50,000,000 in revenue from forecast sales and proposed percentage fees.

On April 5, 2018, the Board of Airport Commissioners approved LAWA's requests. The CAO concurs with this action.

At its meeting held May 1, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed agreements, 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:	ABSENT
RODRIGUEZ:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-