



Los Angeles World Airports

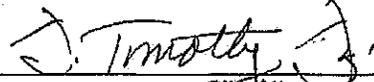
Item Number  
**15**

# REPORT TO THE

# BOARD OF AIRPORT COMMISSIONERS

  
Approved by: Shirlene Sue, Chief Management Analyst

  
Reviewed by: Wei Chi, Deputy Executive Director

  
City Attorney

  
Deborah Ale Flint - Executive Director

Meeting Date:

**7/16/2015**

CAO Review:	<input type="checkbox"/>	Completed
	<input type="checkbox"/>	Pending
	<input checked="" type="checkbox"/>	N/A

Reviewed for	Date	Approval Status	By
Capital Budget	7/6/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	DS
Operating Budget	7/2/2015	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	7/13/15	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	AE
Procurement	7/6/2015	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> Cand	MT
Guest Experience	7/3/2015	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY

**SUBJECT: Adopt a Blanket Resolution for a Non-Exclusive License Agreement for Transportation Network Companies.**

Adopt a Blanket Resolution for issuance and execution of Non-Exclusive License Agreements covering Transportation Network Company services to and from Los Angeles International Airport.

**RECOMMENDATIONS:**

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c), (3), (14), of the Los Angeles City CEQA Guidelines, and is also subject to Sections 15301 and 15061(b)(3) of the State CEQA Guidelines.
3. ADOPT a Blanket Resolution approving the Non-Exclusive License Agreement covering Transportation Network Company services to and from Los Angeles International Airport.
4. AUTHORIZE the Executive Director to execute Non-Exclusive License Agreements for Los Angeles International Airport upon approval as to form by the City Attorney.

## **DISCUSSION:**

### **1. Purpose**

Adopt a Blanket Resolution for issuance and execution of Non-Exclusive License Agreements (NELAs) to permit Transportation Network Company (TNC) services to and from Los Angeles International Airport (LAX). The NELA will ensure TNC compliance with City and Los Angeles World Airports (LAWA) policies, rules and regulations.

### **2. Prior Related Actions**

- None

### **3. Current Action**

LAWA patrons access the airport by various modes of ground transportation. The current Ground Transportation Permit Program permits and regulates the activities of commercial operators, including taxis, shared-ride vans, scheduled service buses, courtesy shuttles (hotel, private parking, and rental car), and charter carriers.

LAWA patrons, in large number, continue to use private vehicles for pick up and drop off, which contributes to greater traffic and congestion. Permitting TNCs will allow our guests an additional transportation choice that may provide a viable and effective alternative for some private vehicle users, which would increase use of commercial vehicle alternatives and improve the efficient use of LAX and LA/ONT facilities.

The proposed Non-Exclusive License Agreement (NELA) for services at LAX includes the following terms and conditions:

- Authority from the California Public Utilities Commission (CPUC) – TNC shall have certification and an active permit issued by the CPUC.
- Insurance – TNC shall have the required minimum liability coverage at all times while operating on Airport property at the level set by the CPUC.
- Dual Authority – Drivers with vehicles who operate under TNC authority and who also have a separate CPUC authority and a separate LAWA NELA, shall abide by the terms pursuant to the non-TNC NELA Agreement. (Operator with both TNC authority and TCP NELA must abide by terms of TCP NELA).
- Upper Level – TNC shall operate only on the upper/departure level of the LAX Central Terminal Area (CTA).
- Geo-Fence- The established boundary defined by Geographic Information System coordinates, passage through which by a TNC vehicle engaged in a mobile app transaction to or from the Airport CTA shall constitute a trip.
- Designated TNC Airport Assignment Area – The area exclusively available from which the TNC mobile app is permitted to receive an assignment from an Airport passenger inside the Geo-Fence Area.

- Designated TNC Staging Area – One or more LAWA-designated area(s) where unassigned TNC Vehicles may wait for an Airport passenger assignment, as may be amended from time to time by the Executive Director.
- Vehicle Cap – TNC shall be limited to 40 unassigned vehicles inside the Geo-Fence Area, Designated TNC Airport Assignment Area, and Designated TNC Staging Area at any time, or such number approved by the Executive Director.
- Shared Rides – TNC shall be prohibited from picking up more than one party within the Geo-Fence Area.
- Trade-Dress – Each TNC vehicle within the Geo-Fence, Designated TNC Airport Assignment Area, and Designated TNC Staging Area shall, at all times, have the Trade Dress (i.e. company logo/identifier) properly displayed and distinguishable within 50 feet of the vehicle.
- Fees – TNC shall pay a \$4.00 per trip fee, applied to both pick up and drop off trips, when crossing the Geo-Fence, or such fee as set by the Board of Airport Commissioners (Board).
- Monthly License Fee – TNC shall remit a Monthly License Fee the greater of 1) \$25,000, or 2) the product of (a) the number of Trips conducted by TNC in the calendar month and (b) the per Trip Fee then in effect, subject to monthly reconciliation.
- Faithful Performance Guarantee (FPG) – TNC shall maintain an FPG in the amount of \$100,000 or three times the estimated monthly payment, whichever is greater.
- Tracking and Audit- TNC shall track, limit and report the activity within the LAX Geo-Fence and Designated TNC Staging Area. TNC shall allow audit of records, including tracking data, upon request by LAWA.
- Training - TNC shall demonstrate that each TNC Driver using Airport property has been instructed on the terms of the license, including compliance with LAX Rules and Regulations.

***Action Requested***

Staff requests adoption of a Blanket Resolution for the issuance and execution of a NELA for TNC services to and from LAX.

***Fiscal Impact***

Staff estimates subsequent execution of each NELA for LAX will provide a minimum of \$300,000 in annual revenue to LAWA.

#### **4. Alternatives Considered**

- **Take No Action**

If no action is taken, TNCs will not be permitted to operate and pick up patrons at LAX.

#### **APPROPRIATIONS:**

As this is an administrative action, staff does not request any appropriations for this item.

#### **STANDARD PROVISIONS:**

1. The 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 the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c); and operation, repair, maintenance or minor alteration of existing highways and streets, sidewalks, gutters, parking lots, aircraft parking areas, service roads, and fire lanes except where the activity will involve removal of a scenic resource including but not limited to a stand of trees, a rock outcropping or an historic building pursuant to Article III, Class 1(3); and issuance, renewal or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion pursuant to Article III, Class 1 (14) of the Los Angeles City CEQA Guidelines; and is also subject to Sections 15301 and 15061(b)(3) of the State CEQA Guidelines.
2. This agreement will be approved as to form by the City Attorney.
3. Actions taken on this item by the Board of Airport Commissioners will become final pursuant to the provisions of Los Angeles City Charter Section 245.
4. Permittees will comply with the provisions of the Living Wage/Service Contractor Worker Retention Ordinances.
5. The Small Business Enterprise Program does not apply to Non-Exclusive License Agreements.
6. Permittees will comply with the provisions of the Affirmative Action Program.
7. Permittees must provide a Business Tax Registration Certificate number prior to issuance of the Non-Exclusive License Agreement.
8. Permittees will comply with the provisions of the Child Support Obligations Ordinance.
9. Permittees must have approved insurance documents, in the terms and amounts required, on file with Los Angeles World Airports prior to issuance of the Non-Exclusive License Agreements.
10. This action is not subject to the provisions of City Charter Section 1022 (Use of Independent Contractors).

11. Non-Exclusive License Agreements are not subject to the provisions of the Contractor Responsibility Program.
12. Permittees are subject to the provisions of the Equal Benefits Ordinance.
13. Permittees will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX airport jobs.
14. Permittees will be required to comply the provisions of the Bidder Contributions CEC Form 55.