LAWA
LOS ANGELES WORLD AIRPORTS

Report to the
BOARD OF AIRPORT COMMISSIONERS
Meeting Date: 9/23/2026

2

Approved by:	**David Reich** Deputy Executive Director Mobility Strategy	
ITEM TYPE	☐ Award ☒ Amendment ☐ Appropriation ☐ Policy/Program ☐ Other	
SUBJECT	Request to adopt the following report and approve both the Seventh Amendment to Concession Agreement LAA-8562 and the Ninth Amendment to Ground Lease LAA-8562-1 with Authorized Taxicab Supervision, Inc. to extend their respective terms for up to twelve months, covering taxicab staging and management at 9301 South Jetway Boulevard near Los Angeles International Airport and Airport Taxicab Rate Modification for the duration of the amendment.	

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

DISCUSSION

1. Background and Necessity of Requested Action

03-07-2011	**Resolution #24394**	Award and Lease
Established a 10-year concession agreement and ground lease with Authorized Taxicab Supervision, Inc. (ATS) for the property located at 9468 Alverstone Avenue at Los Angeles International Airport (LAX).		
10-01-2015	**Resolution #25804** (LAA-8562-1A)	Amendment
Approved the First Amendment to Lease LAA-8562-1 with ATS to incorporate substitute premises arising from the relocation of the taxicab holding lot at LAX from 9468 Alverstone Avenue to 6150 West 96th Street.		
2020-2021	**Resolutions #27002** and **#27094**	Amendments
Approved Amendments related to restructuring monthly commercial fees due to the adverse impacts of the COVID-19 pandemic.		
2016-2025	**Resolutions #25872, #26119, #27431,** and **#28238**	Amendments
Approved various term amendments to the concession agreement and ground lease.		

Authorized Taxicab Supervision, Inc. provides taxicab management services at LAX, including operation of the taxicab holding lot, vehicle inspections, taxicab staging and dispatch functions, management of taxicab stands within the Central Terminal Area, and collection of the Airport Taxicab Services Fee on behalf of Los Angeles World Airports (LAWA).

Authorized Taxicab Supervision, Inc. currently operates under Concession Agreement LAA-8562, which governs the provision of taxicab management and dispatch services at LAX, and Lease LAA-8562-1, which provides the premises necessary to support holding lot and staging operations. The current monthly base rent under the lease is $65,383.12. Both agreements are scheduled to expire on September 30, 2026.

Since execution of the Agreement, the operating environment for the taxicab program has changed significantly. Authorized Taxicab Supervision, Inc. has experienced substantial increases in labor and operating costs, the most impactful being, expenses associated with compliance with the City of Los Angeles Airport Employee Living Wage Ordinance, employee benefits, insurance, utilities, maintenance, equipment replacement, and operational supplies. At the same time, taxicab demand at LAX has not returned to historical levels, reducing the revenue available to support ongoing contract operations.

Under the existing agreement, ATS collects a Taxicab Service Fee Surcharge (TSF) of $4 per trip, remitting $1.70 to LAWA in the form of the Airport Taxicab Rate (ATR). The $2.30 difference is used to fund operations. With the current action, the new ATR will be set at $0 and shall increase by any additional revenue collected by ATS above the $4.00 TSF amount.

The proposed fee adjustment will provide financial stability during the remaining term of the Agreement, support compliance with the Living Wage Ordinance, and assist ATS in maintaining adequate staffing levels and operational performance standards while LAWA completes procurement of replacement services through the Taxicab Operations and Management Request for Proposals (RFP) which was released September 3, 2026.

The proposed action would authorize both Concession Agreement No. LAA-8562 and Lease Agreement No. LAA-8562-1 to be extended for up to twelve months, subject to a 30-day termination notice, and would allow ATS to retain up to a $4.00 access fee.

This action ensures continuity of operations and maintains a consistent level of customer service during and immediately following the relocation.

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

The Concession Agreement No. LAA-8562 was awarded on March 7, 2011, following a competitive process where four proposals were received and rated. Authorized Taxicab Supervision Inc. (ATS) was the highest rated proposer.

Staff determined that postponing a competitive procurement for these services would provide prospective proposers with a clearer understanding of the operating environment and allow LAWA to develop more accurate Request for Proposals (RFP) requirements. Accordingly, staff concluded that extending the existing agreement with ATS represented the most practical, cost-effective, and operationally sound approach to maintaining

uninterrupted taxicab management and dispatch services while maintaining service reliability for passengers. An RFP has been issued to identify the best contractor moving forward and the current amendment provides for termination upon thirty days' written notice.

☐ Request to find that Charter Sec. 1022 is applicable to this action.

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

On a monthly basis, there are approximately 50,000 taxicab trips originating from LAX resulting in revenue of $200,000. In addition, ATS pays $65,383.12 in monthly rent, bringing total monthly revenue to $268,983.12.

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

Issue a Competitive Solicitation	A competitive solicitation for taxicab management and operations services was considered. However, because the taxicab holding lot was in the process of being relocated, introducing a potential new contractor during the relocation and startup period could have created operational disruptions, adversely affected customer access to taxicab services, and complicated the implementation of new procedures and facility operation. The new taxicab holding lot became operational in June 2026.

APPROPRIATIONS

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

INCLUSIVITY & IMPACT

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

Authorized Taxicab Service, Inc. proposed a 1.93% combined Disadvantaged Business Enterprises (DBEs) level of participation. Strategic Sourcing Division confirmed that based on documents submitted, ATS has made a good faith effort to outreach DBE subcontractors. The new RFP for taxi management services is requesting a 15% DBE level of participation.

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) of the Los Angeles City CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute said Seventh Amendment to Concession Agreement LAA-8562 and Ninth Amendment to Ground Lease LAA-8562-1, both with Authorized Taxicab Supervision 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.