

RESOLUTION NO. 27170

WHEREAS, on recommendation of Management, there was presented for approval, Second Letter Agreements for the Concessionaire Relief Program amending Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. at Los Angeles International Airport to [i] abate or adjust the Minimum Annual Guarantee through June 30, 2021, [ii] defer Storage Rent through December 31, 2020 and allow payback of deferred Storage Rent to commence January 1, 2021, [iii] extend the expiration dates of said Concession Agreements by twenty-four (24) months, and [iv] authorize the Chief Executive Officer to have two (2) consecutive twelve (12)-month options to delay the required mid-term refurbishment dates, in his or her sole discretion; and

LAX

Van Nuys

City of Los Angeles

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Mayor

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Justin Erbacci
Chief Executive Officer

WHEREAS, on October 1, 2020, in response to the economic impacts from the COVID-19 pandemic, the Board of Airport Commissioners (Board) approved a second rent relief package for concessionaires (Second Letter Agreements) at Los Angeles International Airport (LAX). All of the Second Letter Agreements were approved by the City Council on October 21, 2020, with the exception of those regarding Concession Agreements LAA-8586 and LAA-8587 with Host International Inc. (Host). The City Council returned the Second Letter Agreements regarding said Concession Agreements to the Board for reconsideration and resubmission due to a pending resolution of an outstanding audit of the Living Wage Ordinance (LWO) requirements. The City Council requested the Board, in conjunction with the Bureau of Contract Administration (BCA), to confirm that Host has fully corrected LWO violations and can continue to remain in compliance with the terms of the LWO, before sending the matter back to City Council for further consideration; and

WHEREAS, at its meeting, the Board approved an amendment to the staff report, as recommended by Los Angeles World Airports (LAWA) staff, to add that BCA may recommend termination of the Second Letter Agreement if, following an investigation, BCA makes a final determination that Host is not in compliance with the provisions of the LWO, Los Angeles Administrative Code Section 10.37 et seq. The same will be added to the Second Letter Agreements regarding Concession Agreements LAA-8586 and LAA-8587 with Host; and

WHEREAS, LAWA staff have been informed by BCA that the audit has been successfully resolved and that Concession Agreements LAA-8586 and LAA-8587 with Host are both in full compliance with the LWO requirements. LAWA staff will continue to coordinate closely and proactively with BCA to determine if Host and other concessionaires are complying with the LWO on an ongoing basis. LAWA will support the BCA process to litigate any non-compliance and, as warranted, will pursue remedies under the concession agreements for breach; and

WHEREAS, approval of the updated second rent relief package for Concession Agreements LAA-8586 and LAA-8587 with Host will provide equitable rent relief to all eligible concessionaires at LAX. The updated version extends the deadline for Host to comply with the requirements to provide contribution or premium payments for health insurance coverage, and proof of the same, from October 31, 2020 to ten (10) days following approval of this action by the Los Angeles City Council. All other terms remain unchanged; and

WHEREAS, this action, as a continuing administrative activity, is administratively exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines; and

WHEREAS, Host will comply with the provisions of the Service Contractor Worker and/or Living Wage Ordinances, the Affirmative Action Program, the Child Support Obligations Ordinance, the Contractor Responsibility Program, and the Equal Benefits Ordinance; and



WHEREAS, for Concession Agreement LAA-8586, Host committed to 10% Airport Concessions Disadvantaged Business Enterprise (ACDBE) participation, and has achieved 10%. For Concession Agreement LAA-8587, Host acquired the agreement from CMS Camacho Ventures and committed to 25% ACDBE, and has achieved 25%; and

WHEREAS, Host is assigned Business Tax Registration Certificate 0000605063-0001-3; and

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

WHEREAS, Host will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

WHEREAS, Host must submit the Bidder Contributions CEC Form 55 and comply with its provisions; 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 amended Staff Report; determined that this action is administratively exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines; found that use of competitive bidding for the twenty-four (24)-month extension to the expiration dates for Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. would be undesirable and impractical under Section 10.15(a)(10) of the City of Los Angeles Administrative Code and Section 371(e)(10) of the City of Los Angeles Charter; approved extension of the expiration dates for said Concession Agreements by twenty-four (24) months; authorized the Chief Executive Officer, or designee, to have two (2) consecutive twelve (12)-month options to delay the required mid-term refurbishment dates for said Concession Agreements; further approved the Second Letter Agreements for the Concessionaire Relief Program amending said Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc.; and further authorized the Chief Executive Officer, or designee, to execute said Second Letter Agreements amending Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. 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. 27170 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, December 10, 2020.


Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS