



*Los Angeles
World Airports*

April 16, 2020

The Honorable City Council
of the City of Los Angeles
City Hall, Room 395
Los Angeles, CA 90012

Subject: Revision of Payment Terms of all Concession Agreements based on Minimum Annual Guarantee

Pursuant to Section 606 of the City Charter, enclosed for your approval is the Revision of Payment Terms of all Concession Agreements based on Minimum Annual Guarantee, which was approved by the Board of Airport Commissioners at its April 16, 2020 meeting. There is no impact to the General Fund.

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

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President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Telles
Karim Webb

Justin Erbacci
Interim Chief Executive Officer

RECOMMENDATIONS FOR CITY COUNCIL:

1. Adopt the determination by said Board that the action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f of the Los Angeles City CEQA Guidelines; and
2. Approve a revision of the payment terms of all Concession Agreements listed in Attachments 1, 2, and 3 of the enclosed Resolution 27003, to only require payment of percentage rent as defined in their respective Concession Agreement instead of Minimum Annual Guarantee for the period starting April 1, 2020 through June 30, 2020; and
3. Further approve a revision of the payment terms for all Concession Agreements listed on Attachment 1 of the enclosed Resolution 27003, to allow deferral of payment of percentage rent until July 1, 2020 through December 31, 2020 in equal monthly installments; and
4. Concur with said Board's action on April 16, 2020, by Resolution 27003, authorizing the Interim Chief Executive Officer of Los Angeles World Airports to implement a Program to revise Concession Agreements and implement a temporary policy to forbear on implementing default provisions related to payment of Minimum Annual Guarantees for the affected Concessionaires; and
5. Further concur with said Board's action on April 16, 2020, by Resolution 27003, authorizing the Interim Chief Executive Officer, or designee, of Los Angeles World Airports to execute Letter Agreements with the terms and conditions in the Program.

Very truly yours,

Grace Miguel – Commission Executive Assistant II
BOARD OF AIRPORT COMMISSIONERS

GM:lfc

Enclosure

CC: Trade, Travel and Tourism Committee
Councilmember Buscaino, E-file
Councilmember Bonin, E-file
Councilmember Krekorian, E-file
CAO (Airport Analyst), E-file
CLA (Airport Analyst), E-file
City Clerk's Office, E-file

