

RESOLUTION NO. 28290

WHEREAS, on recommendation of Management, there was presented for approval, Termination and Partial Termination of Concession Agreements and Convenience Termination Payments, in amount not to exceed \$25,000,000, for the concession units in Terminal 5 for Areas USA LAX LLC, DN/Dakota JME, and Hudson Group to enable the Terminal 5 Renovation and Reconstruction Project at Los Angeles International Airport; and

WHEREAS, to enable the said project, Los Angeles World Airports (LAWA) shuttered all airline operations, passenger services, and concessions at Terminal 5 (T5) as of October 31, 2025. LAWA relocated the T5 airlines to other terminals at Los Angeles International Airport (LAX), including JetBlue Airways to Terminal 1, Spirit Airlines to Terminal 2, and American Airlines flights at T5 to Terminal 4 and Tom Bradley International Terminal; and

LAX

Van Nuys

City of Los Angeles

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Mayor

Board of Airport
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John Ackerman
Chief Executive Officer

WHEREAS, approval of the requested action will finalize the termination of the concession agreement with DN/Dakota JME LAX 8589 Farmers (LAA-8589) and the partial termination of the following concession agreements:

- DN/Dakota JME LAX 8549 Pucks, LLC (LAA-8549)
- Hudson-Magic Johnson Enterprise-Concourse Ventures, LLC (LAA-8550)
- LAX Retail Magic 2 JV (LAA-8551)
- LAX Retail Magic 3-4 JV (LAA-8542)
- Areas USA LAX, LLC (LAA-8546)
- Areas USA LAX, LLC (LAA-8547); and

WHEREAS, said T5 concession agreements were originally set to expire on June 30, 2023, and were extended to June 30, 2025, due to the economic impacts of the COVID-19 pandemic. In 2024, LAWA extended the agreements for an additional four (4) years to June 30, 2029 in order to provide continuity of concession services to LAX guests and airline partners in Terminals 4, 5, 7, and 8, through the 2026 FIFA World Cup and the 2028 Summer Olympics; and

WHEREAS, when the agreements were last extended, LAWA had not yet contemplated the T5 Renovation and Reconstruction Project. With the early termination of the T5 concession spaces, the impacted Concessionaires can no longer generate revenues from T5 that they anticipated through the remainder of the term of their agreements; and

WHEREAS, the Convenience Termination Payments will compensate the Concessionaires for the terminated concession locations. Providing Convenience Termination Payments recognizes the financial impact of early closure, supports airport partners including several small and disadvantaged business enterprises, and helps maintain positive business relationships as LAWA advances its Capital Improvement Program. Additional funding is not required for the Convenience Termination Payments as LAWA will utilize existing funds previously approved as part of the T5 Project; 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 staff report; further adopted staff's determination that the requested action is exempt from the California



Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; approved the Termination and Partial Termination of Concession Agreements and Convenience Termination Payments, in amount not to exceed \$25,000,000, for the concession units in Terminal 5 for Areas USA LAX LLC, DN/Dakota JME, and Hudson Group to enable the Terminal 5 Renovation and Reconstruction Project at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute the Release of Claims and Agreement, for each of the said Concession Agreements, subject to approval by the Los Angeles City Council and approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 28290 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, December 18, 2025.

A handwritten signature in blue ink, appearing to read "Grace Miguel".

Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS