




Approved by:	Jean-Pierre Tabet Deputy Executive Director Commercial Development Group	
ITEM TYPE	<input checked="" type="checkbox"/> Award <input type="checkbox"/> Amendment <input type="checkbox"/> Appropriation <input type="checkbox"/> Policy/Program <input type="checkbox"/> Other	
SUBJECT	Request to adopt the following report and approve the award of a twelve-year Concession Agreement, with a three-year extension option, to Hudson Group (HG) Retail, LLC to develop, manage, and operate Retail Concessions in Terminal 4 at Los Angeles International Airport that will generate approximately \$4,250,000 in revenue in the first year and a minimum of \$51,000,000 over the 12-year term.	

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

DISCUSSION

1. Background and Necessity of Requested Action

Terminal 4 is currently undergoing terminal-wide renovations as part of the \$1.6 billion Terminals 4 & 5 Modernization Program facilitated by American Airlines (American). To enable the terminal renovation work, most of the concessions at Terminal 4 were terminated as of January 2024. The new terminal will provide new local and national retail and food & beverage brands including sit-down restaurants, grab and go, specialty bars, several coffee options, and a variety of shopping opportunities.

Completion of the Terminals 4 & 5 Modernization Program is expected by early 2028. Los Angeles World Airports (LAWA) will phase the implementation of new Terminal 4 concessions as spaces become available from the American project. The first phase of new spaces is anticipated to be delivered to LAWA in quarter four of 2026, and the second phase is targeted for quarter three of 2027.

2. Selection Process: Competitive process. Other process. Not applicable.

On July 7, 2025, LAWA staff released a Request for Proposals (RFP) for Concession Agreement of Property Los Angeles World Airports Terminal 4 Concessions Opportunity for food & beverage and retail opportunities. Leading up to the RFP, LAWA held three networking events across Los Angeles for interested parties to learn about upcoming

concession opportunities and network with existing concessionaires to support proposal partnerships. These events were attended by over 500 individuals representing local, national, and international businesses. Additionally, a pre-proposal meeting was held online after the release of the RFP and was attended by over 60 participants.

The concession opportunities (as depicted in Attachment A) were bundled into the following four packages:

Package A: Food & Beverage A: First Class Marketplace – 5,184 square feet (sq ft.)

- Retail Market – 1,270 sq ft.
- Coffee – 938 sq ft.
- Specialty Bar – 602 sq ft.
- Quick Service Retail – 1,004 sq ft.
- Pre-Security Coffee – 1,370 sq ft.

Package B: Food & Beverage B: Locally Brewed, Timelessly Cool, LA Dining – 6,073 sq ft.

- Fast Casual Dining/Brew-Pub – 2,016 sq ft.
- Coffee – 713 sq ft.
- Full-service Restaurant – 3,344 sq ft.

Package C: Food & Beverage C: LA Food Hall & Libations – 6,145 sq ft.

- Quick Service Retail (Burger) – 790 sq ft.
- Quick Service Retail (Healthy) – 755 sq ft.
- Quick Service Retail (International) – 755 sq ft.
- Themed Bar with Coffee – 700 sq ft.
- Remote Prep Kitchen (optional) – 3,145 sq ft.

Package D: High Altitude Retail – 4,411 sq ft.

- Travel Essentials/Blended Retail – 1,249 sq ft.
- Travel Essentials/Blended Retail – 1,471 sq ft.
- Blended Retail – 1,185 sq ft.
- Blended Retail/Incubator – 506 sq ft.

On November 21, 2025, LAWA received seven proposals from the following entities and reviewed each proposal for Concepts, Design and Implementation; Experience Operating Concessions; Business Operations Management; Financial Capability; and Financial Proposal:

- Areas LAX 4 JV, LLC
- Born Real LLC
- GRAH Investments LLC
- Greater Than DD LLC
- Host International, Inc.
- Hudson Group (HG) Retail, LLC
- The Marshall Retail Group, LLC

Two of the above proposers, Born Real LLC and GRAH Investments LLC, were deemed non-responsive.

Upon completion of the evaluation process, LAWA selected the following proposers per package as follows:

- Package B: Areas LAX 4 JV, LLC
- Package C: Host International, Inc.
- Package D: Hudson Group (HG) Retail, LLC

Package A will be presented to BOAC and City Council for award in a separate action

LAWA received a protest regarding the award of Package D to Hudson Group (HG) Retail, LLC (Hudson). Los Angeles World Airports' General Counsel found that the protest has no merit for the reasons communicated as Hudson was the higher scoring proposal before and after the negotiations, and the RFP did not require LAWA to negotiate exclusively with one proposer at a time.

From these four Concession Agreements, LAWA expects to generate approximately \$10.6 million in revenue in the first year and a minimum of \$158 million over the 12-year term.

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

The operation of terminal concessions requires specialized commercial expertise, established supply chains, and branded retail and food service capabilities that City employees do not possess. Utilizing private concessionaires enables LAWA to maximize revenue through competitive agreements, provide high-quality and diverse passenger amenities, and transfer operational and financial risks to experienced operators in a way that cannot be feasibly or economically be performed by City employees. _____

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

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

APPROPRIATIONS

Appropriation required. No appropriation required. Funding is available.

INCLUSIVITY & IMPACT

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

PROVISIONS

The Chief Executive Officer has approved this item.

The Board of Airport Commissioners is hereby requested to adopt staff determination that the requested action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2i of the Los Angeles City

CEQA Guidelines.

The Board is hereby further requested to authorize the Chief Executive Officer, or designee, to execute said Concession Agreement with Hudson Group (HG) Retail LLC, 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 606.