



Report to the
BOARD OF AIRPORT COMMISSIONERS

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Item Number
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<p><i>Approver:</i> </p> <p style="text-align: center;">Dave Jones, Deputy Executive Director Commercial Development Division</p> <p><i>Reviewer:</i> <u><i>Hector Huezor for</i></u> <small>Hector Huezor for (Jan 2, 2025 12:02 PST)</small></p> <p style="text-align: center;">Brian C. Ostler, City Attorney</p> <p style="text-align: center;"></p> <p style="text-align: center;">John Ackerman, Chief Executive Officer</p>	<p>Meeting Date</p> <p style="text-align: center;">1/16/2025</p> <p>Needs Council Approval: <input checked="" type="checkbox"/> Y</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Reviewed for/by</th> <th style="text-align: left;">Date</th> <th style="text-align: left;">Approval Status</th> <th style="text-align: left;">By</th> </tr> </thead> <tbody> <tr> <td>Finance</td> <td>12/20/2024</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> NA</td> <td>JS</td> </tr> <tr> <td>CEQA</td> <td>12/9/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>VW</td> </tr> <tr> <td>Procurement</td> <td>12/17/2024</td> <td><input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond</td> <td>AF</td> </tr> <tr> <td>Guest Experience</td> <td>12/10/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>TB</td> </tr> <tr> <td>Strategic Planning</td> <td>12/13/2024</td> <td><input checked="" type="checkbox"/> Y</td> <td>BNZ</td> </tr> </tbody> </table>	Reviewed for/by	Date	Approval Status	By	Finance	12/20/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> NA	JS	CEQA	12/9/2024	<input checked="" type="checkbox"/> Y	VW	Procurement	12/17/2024	<input checked="" type="checkbox"/> Y <input type="checkbox"/> Cond	AF	Guest Experience	12/10/2024	<input checked="" type="checkbox"/> Y	TB	Strategic Planning	12/13/2024	<input checked="" type="checkbox"/> Y	BNZ
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SUBJECT

Request to adopt the following report and to approve and execute the proposed Sixth Amendment to Terminal Media Operator Concession Agreement LAA-8796 with JCDecaux Airport, Inc. to extend the contract by one year with an additional one-year option, covering advertising and sponsorship locations at Los Angeles International Airport.

DISCUSSION

1. Purpose

The proposed amendment will extend the term of the Terminal Media Operator Concession Agreement (TMO) by one year with a one-year option. This extension will allow Los Angeles World Airports (LAWA) staff appropriate time to complete several critical planning projects that will impact the future inventory of advertising locations, which are needed to issue a new TMO Request for Proposals (RFP).

2. Prior Related Actions/History of Board Actions

- December 2, 2013 - Resolution No. 25283**
The Board of Airport Commissioners (Board) approved the award of the TMO Agreement to JCDecaux Airport, Inc. (JCDecaux).

- **April 5, 2018 – Resolution No. 26462**

The Board the First Amendment to the TMO Agreement to correct administrative language.

- **May 16, 2019 – Resolution No. 26774**

The Board approved the Second Amendment to the TMO Agreement to revise language regarding Emerging Media opportunities.

- **April 16, 2020 – Resolution No. 27003**

The Board approved revision of payment terms for all Concession Agreements.

- **October 1, 2020 – Resolution No. 27118**

The Board approved Letter Agreements to revise payment terms and extend the term by two years as part of the Concessionaire Relief Program due to impacts of the COVID-19 pandemic.

- **October 21, 2021 – Resolution No. 27363**

The Board approved concession agreements for retail, food and beverage and service agreements with multiple concessionaires to extend the revised payment terms due to continuing impacts of COVID-19.

3. Background

In December 2013, the Board approved a TMO agreement with JCDecaux to develop and provide advertising and sponsorship locations throughout the airport, maintain and create content for the Tom Bradley International Terminal (TBIT) Integrated Emerging Media System, and enhance the guest experience through passenger amenities associated with sponsorships. The original term of the TMO agreement was seven years, with one three-year option to extend. The agreement was amended in October 2020 to extend the term by 24 months as part of the Concessions Relief Program. The TMO Agreement has generated over \$274 million to date and expires on December 31, 2025.

4. Current Action/Rationale

Current and upcoming LAWA projects will have an impact on the available advertising and sponsorship opportunities inventory throughout the Central Terminal Area and along the Automated People Mover route, including LAX Economy Parking and the Consolidated Rent-A-Car Facility. Some of these projects include the Tom Bradley International Terminal refresh; the Landscaping Program; Wayfinding Design, Branding and Sense of Place; and an update to the current LAX Sign District.

To issue a complete RFP for the new Terminal Media Operator, LAWA must identify an accurate inventory of available spaces. This inventory is critical for potential respondents to fully evaluate and maximize all advertising opportunities and generate the most revenue for LAWA. Staff anticipate that the RFP for both in-terminal and landside advertising LAX will take 9 to 12 months to secure a new operator and fully execute the new agreement. The

proposed amendment will allow for time to confirm the advertising inventory and complete the RFP process.

5. Fiscal Impact

Approval of this item will provide revenue to LAWA of at least \$33 million over the additional term.

6. Alternatives Considered

- ***Take No Action***

Taking no action is not recommended. Without this extension LAWA is at risk of losing potential revenue from a more robust RFP process.

APPROPRIATIONS

No appropriation of funds is required for this action.

STANDARD PROVISIONS

The Board is hereby requested to adopt staff's determination that this item, involving issuance of permits, leases, agreements, or other entitlements granting use of existing facilities at a municipal airport involving negligible or no expansion of operations beyond that previously existing or permitted, is exempt from the requirements of the CEQA pursuant to Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.

The proposed document(s) is/are subject to 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.