

CATEGORICAL EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to the first amendment to the Concession Agreement with Boingo Wireless, Inc. (Boingo) for Wireless Fidelity (Wi-Fi) internet access service at Los Angeles International Airport (LAX).

Recommendations for Council action:

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(18)(c) of the Los Angeles City CEQA Guidelines.
2. APPROVE the first amendment to the Concession Agreement with Boingo for Wi-Fi internet access service at LAX.
3. CONCUR with the Board's action of April 20, 2017 by Board Resolution No. 26215 authorizing the Chief Executive Officer, Los Angeles World Airports (LAWA), to execute the first amendment to the Concession Agreement with Boingo for Wi-Fi internet access service at LAX.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the first amendment will have no impact on the City's General Fund. It will, however, result in a decrease of \$400,000 in the base annual fee payment by Boingo to LAWA for a total of \$2,200,000 over the five and one-half years remaining on the contract term. Additionally, there will be a one-time \$65,000 credit to Boingo for the company's installation of additional wireless access points in the Tom Bradley International Terminal's Federal Inspection Service area. This project complies with LAWA's adopted Financial Policies.

Community Impact Statement: None submitted.

TIME LIMIT FILE – JUNE 17, 2017

(LAST DAY FOR COUNCIL ACTION – JUNE 16, 2017)

SUMMARY

At the meeting held on June 6, 2017, your Innovation, Grants, Technology, Commerce and Trade Committee considered a Board transmittal relative to the first amendment to the Concession Agreement with Boingo for Wi-Fi internet access service at LAX. The CAO reports that while the current agreement's seven-year term will not change, the base annual fee paid to LAWA by Boingo will change in the form of a reduction from the current \$816,000 to \$416,000 to compensate the contractor for lost revenue attributable to the expansion of free LAX Wi-Fi and a reduction in the advertising revenue that accompanied the downloading of ads and/or sponsorship messages as part of the current free Wi-Fi service. In addition to the annual fee reduction, LAWA proposes to credit Boingo \$65,000 as a one-time reimbursement for the installation of 12 additional wireless access points in the Tom Bradley International Terminal bus terminal hallways for the Customs and Border Protection's Mobile Passport application. The overall reduction in the annual base revenue paid to LAWA for the remainder of the Boingo

contract—a period of five and one-half years—will be approximately \$2.2 million. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the Board's transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE

A handwritten signature in blue ink, appearing to be 'Blumenfeld', is written over the committee name.

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| BLUMENFIELD: | YES |
| BONIN: | YES |
| KREKORIAN: | YES |
| BUSCAINO: | ABSENT |

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-