

January 19, 2024

Los Angeles City Council
c/o Office of the City Clerk
City Hall, Room 395
Los Angeles, CA 90012

Attention: Ad Hoc Committee on City Governance Reform

Dear Honorable Members:

LAX

Van Nuys

City of Los Angeles

Karen Bass
Mayor

Board of Airport
Commissioners

Karim Webb
President

Matthew M. Johnson
Vice President

Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco

Beatrice C. Hsu
Interim Chief Executive Officer

**Los Angeles World Airports Recommendations for Charter Amendments
CF 23-1027**

On December 12, 2023, the City Council approved a motion requesting Los Angeles World Airports (LAWA) to report back with recommendations for identifying and prioritizing sections in the Charter that would benefit from reform to modernize the City's organizational infrastructure and/or support more strategic citywide policies.

The following are LAWA's recommendation of Charter modifications for further consideration:

Charter Section 245: City Council Veto of Board Actions

Based on the possibility of the reduction of the number of weekly City Council meetings, as is being considered, Charter Section 245 needs to be amended to allow for prompt finalization of Commission actions.

Charter Section 604 General Manager

Amend section (a) as follows:

(a) **Appointing Authority.** The board of each Proprietary Department shall appoint the general manager subject to confirmation by the Mayor and Council and shall remove the general manager subject to confirmation by the Mayor. The board of each Proprietary Department may designate an alternate title for the general manager, including but not limited to Chief Executive Officer or Executive Director. A general manager removed pursuant to the provisions of this section may appeal the removal to the Council in the manner provided in Section 508(e).



Charter Section 606 Process for Granting Franchises, Permits, Licenses and Entering Into Leases

Amend Section 606 to add contracts to be consistent with leases and other agreements. This would then set the threshold at five years for the Council approval instead of the current three years and shorten their approval cycle.

Amend Section 606 as follows:

Board action granting franchises, concessions, permits and licenses or approving leases or contracts shall be taken by order or resolution. If the board's order or resolution grants a franchise, permit or license or approves a lease or contract for a term greater than five years, it shall be submitted to Council for its approval or disapproval. The Council may, by ordinance, further define what constitutes a term of more than five years. Unless Council takes action disapproving the franchise, permit, license, ~~or lease~~ or contract within 30 days after submission of it to Council, the franchise, permit, license, ~~or lease~~ or contract shall be deemed approved. If Council does not approve the franchise, permit, license, ~~or lease~~, or contract, Council shall return it to the originating board for reconsideration and resubmission. Any order or resolution granting a franchise for a term of more than five years shall be published once in the same manner as ordinances of the City and shall take effect 30 days after publication.

Charter Section 607 Limitations on Franchises, Concessions, Permits, Licenses and Leases

Amend Section 607(a) to allow the Board of Airport Commissioners with the authority to award leases not to exceed 66 years, which would enable significant commercial development of non-aviation properties.

Amend Section 607(a) as follows:

(a) **Length.** The term shall not exceed 30 years, or the term specified by applicable federal or state law, whichever is less. If Council makes a finding that a term longer than 30 years would be in the best interest of the City, Council may, by a two-thirds vote, subject to Mayoral veto, or three-fourths vote over the veto of the Mayor, authorize a term up to 50 years for ~~the Airports Department and~~ Department of Water and Power and a term up to 66 years for the Harbor Department and Airports Department, or the maximum period allowed by any federal or state law, whichever is less.

Charter Section 609 Revenue Bonds and Other Obligations

Amend Section 609(g)(3) as follows to makes the language clear that other forms of electronic signatures (DocuSign, etc.) are allowed:

Amend Section 609 (g)(3) as follows:

Validity of Revenue Bonds. The validity of Revenue Bonds reciting that they have been issued pursuant to this section shall not be affected by any provision or limitation contained in any other section of the Charter. Any required signatures to the Revenue Bonds issued pursuant to this section may be by facsimile, ~~or~~ by autograph, or by electronic signature. Charter Sections 146, 146.1, 229, 229.1 and 239 existing on June 1, 1996, shall remain in full force and effect after the adoption of this section until the Council has adopted the Procedural Ordinance(s) provided for in this section.

Charter Section 632 Powers and Duties of the Board

Amend Section 632(a) and (b) to make clear that BOAC can implement rules, regulations, and fees, including ground transportation on airport property. This needs to recognize evolving technologies, advanced air mobility and modern technology platforms. Airports' authority to regulate and implement fee structures for various uses have come under federal and state scrutiny and need to be broad enough to allow for congestion pricing and other novel pricing mechanisms as needed.

Amend Section 632 (a) and (b) as follows:

(a) **Rates and Charges.** Fix and collect rates and charges for the use of the Airport Assets and any other service provided by the department, including the establishment of fees for the use of and access to airport property by commercial and private operators for aeronautical and ground transportation purposes.

(b) **Rules and Regulations.** Subject to the powers of the United States respecting commerce, make and enforce all necessary rules and regulations governing the use and control of City owned or controlled airports located inside and outside of the City and the use of airways and waterways proximate to these airports incident to aerial navigation. Regulations adopted by the board shall be approved by ordinance that shall prescribe the penalties for the violation of these rules and regulations. These rules and regulations may include, but are not limited to, the following subjects:

(1) the ascent, landing, mooring, movement, maintenance, operation, or use of all apparatus for aerial navigation and flight, or convenient or necessary in connection with those operations; and

(2) the design, construction, maintenance, use, condition and operation of any utility, machine, building, structure or improvement on any airport, and control of excavation, obstructions, and traffic on or in the airports; and-

(3) the management and regulation of ground transportation on airport property, including access by commercial transportation service providers.

Charter Section 632 Powers and Duties of the Board

Amend Section 632(c) to add the additional authorities for the Board of Airport Commissioners to modernize and improve the efficiency of procurements:

Amend Section 632 (c) as follows:

(c) Development of the Airports. Purchase, lease, acquire, condemn, design, erect, maintain, improve, repair, and operate all property, improvements, utilities, equipment, supplies or facilities as it may deem necessary or convenient for Departmental Purposes. The power of condemnation shall only be exercised with approval of the Council.

- Authorize the use of Competitive Sealed Proposal Selection Process to deliver capital improvement or construction projects where the complexities of the project require that factors in addition to price be taken into consideration, subject to subsequent City Council consideration as otherwise specified in Charter Section 245 and/or 373.

- Authorize delegation of contracting authority to the General Manager for (1) professional, scientific, expert, or technical services; (2) goods, materials, supplies, or equipment; (3) non-professional services; (4) ground and facility leases, and/or (5) right-of-entry permits, for a term not to exceed three years and in amounts not to exceed \$500,000 annually, adjusted annually by the Consumer Price Index.

Add new Charter Section 637

Add new Section 637 that would allow use of “Los Angeles World Airports” as an authorized name in official documents.

Proposed Language for new Charter Section 637:

Sec. 637 The Department of Airports may also be referred to and known as “Los Angeles World Airports”.

Charter Section 1001 Exemptions

Amend Section 1001(c) to increase the exemptions for POLA and LAWA from ten (total) to 30 – fifteen for each department. DWP currently has fifteen.

Amend Section 1001 (c) as follows:

(c) **Proprietary Department Positions.** In addition to the exempt positions in the Proprietary Departments created by subsections (a), (b)(1), (2), (3) and (d) of this section, up to 15 positions in the Department of Water and Power and up to ~~ten~~ 30 positions to be allocated between the Harbor Department and the Department of Airports for employment of persons to provide management services or to render professional, scientific or expert services of an exceptional character. Exemption of these positions shall be subject to the following:

Charter Section 1001 Exemptions

Amend Section 1001(d)(3) to add managerial positions. This authority is currently limited to clerical employees but would be effectively used for other professional positions.

Amend Section 1001 (d) as follows:

(d) **Positions Approved by Council.** In addition to the exempt positions created in subsections (a), (b) and (c) of this section, any of the following may be exempted from the provisions of this Article upon the request of the head of the department or office in which they are employed, by order of the Board of Civil Service Commissioners, approved by the Council by resolution:

...
(3) any position requiring the services of one individual for not more than half time and paying a salary not to exceed three-fourths of the monthly rate established by the salary fixing authority of the department, division or office for entering-level clerical or management positions”;

Charter Section 1013 Temporary Appointment

Amend Section 1013 to provide the Department Personnel Officer of proprietary departments authority to authorize Temporary Appointments in the manner that the Civil Service Commission is now authorized. This would allow for a more expedient approval of critical, emergency appointments. Also, amend to allow for Temporary Appointments up to a period of two years, or allow for an extension of up to one additional year at the end of the first year. Currently the Charter limit is one year, but that is at times inadequate for the Personnel Department to create a new civil service list for the position and departments risk losing valuable staff.

Thank you for this opportunity to share our recommendation for Charter Amendments. We look forward to further discussion on these changes.

Sincerely,



Bea Hsu

Interim Chief Executive Officer

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