

RESOLUTION NO. 27925

WHEREAS, on recommendation of Management, there were presented for approval, Amendments to certain In-Terminal Concession Agreements, listed in Attachment 1 attached hereto and made part hereof, with Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group to extend their respective terms thru June 30, 2029 and require certain refurbishments be completed within the first year of the extended term, covering concessions in Terminals 4, 5, 7 and 8 at Los Angeles International Airport; and

LAX
Van Nuys
City of Los Angeles
Karen Bass
Mayor
Board of Airport Commissioners

WHEREAS, Los Angeles World Airports (LAWA) operates two concessions models at Los Angeles International Airport (LAX): [i] a master concession/developer model where LAWA's Terminal Commercial Manager, URW Airports, manages 110 food/beverage and retail locations in Terminals 1, 2, 3, 6, and Tom Bradley International Terminal through subleases with concession operators; and [ii] a direct concession model where LAWA has 14 concession agreements directly with five concession operators for 48 food/beverage and retail locations in Terminals 4, 5, 7, and 8. The Amendments, listed in Attachment 1, are related only to said 14 direct concession agreements in Terminals 4, 5, 7, and 8 that account for approximately 40% of the LAX concessions program; and

Karim Webb
President
Matthew M. Johnson
Vice President
Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco
John Ackerman
Chief Executive Officer

WHEREAS, in 2010, 13 of said direct concession agreements were awarded to Areas USA LAX LLC, DN/Dakota JME, Host International Inc., and Hudson Group. In 2020, the fourteenth concession agreement was awarded to Crews Hospitality LLC. The Terminal 4, 5, 7, and 8 concessions program has been very successful with an average Airport Concessions Disadvantaged Business Enterprise (ACDBE) participation of 26% for retail locations and 18.6% for food and beverage locations. In addition, many of the concepts are City of Los Angeles and Southern California iconic brands such as Randy's Doughnuts, Hilltop Coffee, Campanile, The Farmers Market, Homeboy, Rock & Brews, and Engine Company No. 28; and

WHEREAS, the agreements were originally set to expire in June 2023 but were extended for two years due to the economic impacts of the COVID-19 pandemic. Due to said extension, there is now two years' less time available to release the concessions spaces in those terminals before the 2026 World Cup and 2028 Summer Olympics take place in Los Angeles; and

WHEREAS, the Amendments will provide continuity of concession services to LAWA guests and airline partners in Terminals 4, 5, 7, and 8 through the 2026 World Cup and the 2028 Olympics. The existing agreements require concessionaires to perform mid-term refurbishment to each location at a value of no less than 20% of the initial capital investment. The Amendments require that concessionaires complete any mid-term refurbishment work that was deferred due to COVID-19 by the end of the first year of the extended term; and

WHEREAS, to support the construction schedule of the American Airlines Terminal Improvement Project, which demolishes major portions of Terminal 4, the Amendments will allow locations impacted by the construction to be terminated with 180-days advance written notice at no cost to LAWA. To date, seven concession units in Terminal 4 have closed, and an additional eight units will close during the construction phasing, leaving only one full-service food and beverage unit and two retail units open in the facility; and

WHEREAS, to ensure appropriate level of concession services in Terminal 4 during this construction project, the Board of Airport Commissioners approved a temporary concession agreement on January 18, 2024 to provide food, beverage, and retail units in the impacted parts of



the terminal and supplement the existing concessions units that will remain open in Terminal 4. In addition, staff are preparing a Request for Proposals (RFP) for the new concessions opportunities that will be available when the Terminal 4 renovations are complete. Staff anticipate said RFP will be released by Q3 2024; and

WHEREAS, issuance of permits, leases, agreements, gate and space assignments, and renewals, amendments or extensions thereof, or other entitlements granting use of existing airport facilities or its operations is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group are required by contract to comply with the provisions of the Worker Retention and/or Living Wage Ordinances, Affirmative Action Program, and Child Support Obligations Ordinance; and

WHEREAS, Procurement Services reviewed this action and established ACDBE levels of participation for each agreement. Concessionaires are required by contract to comply with the participation levels as committed to, respective to each agreement; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group have been assigned the following Business Tax Registration Certificates:

Concessionaire	Business Tax Registration Certificate
Areas USA LAX LLC	0002535550
Crews Hospitality LLC	0000099582
DN/Dakota JME	0002837505
Host International Inc.	0000605063-0001-3
Hudson Group	0002620755-0009-7; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of their respective Amendment; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group have each submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group have been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

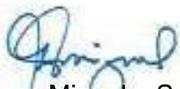
WHEREAS, Areas USA LAX LLC, Crews Hospitality LLC, DN/Dakota JME, Host International Inc., and Hudson Group have each submitted Bidder Contributions CEC Form 55 and Form 50, and will comply with their provisions; and

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; determined that this action is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; found that use of competitive bidding for four (4)-year extensions to the In-Terminal Concession Agreements in Terminals 4, 5, 7, and 8 would be undesirable and impractical under Section 10.15(a)(10) of the City of Los Angeles Administrative Code and Section 371(e)(10) of the Los Angeles City Charter; approved the Amendments to certain fourteen (14) In-Terminal Concession Agreements, listed in Attachment 1 attached hereto and made part hereof, to extend their respective terms thru June 30, 2029 and require certain refurbishments be completed within the first year of the extended term, covering concessions in Terminals 4, 5, 7 and 8 at Los Angeles International Airport; and authorized the Chief Executive Officer, or designee, to execute said Amendments to certain fourteen (14) In-Terminal Concession Agreements, listed in Attachment 1, after 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. 27925 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, March 21, 2024.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment 1:
– List of Concession Extension Amendments

Attachment 1

Concession Extension Amendments

Board File Number	Concessionaire
LAA-8546A Fifth Amendment	Areas USA LAX, LLC
LAA-8547A Fifth Amendment	Areas USA LAX, LLC
LAA-8548A Fifth Amendment	Areas USA LAX, LLC
LAA-8843 Fourth Amendment	Areas USA LAX, LLC
LAA-8964 Fourth Amendment	Areas USA LAX, LLC
LAA-9094 Second Amendment	Crews Hospitality
LAA-8549 Fifth Amendment	DN Dakota JME LAX 8549 Pucks, LLX
LAA-8589 Fifth Amendment	DN Dakota JME LAX 8589 Farmers, LLX
LAA-8586A Fifth Amendment	Host International, Inc.
LAA-8587A Sixth Amendment	Host International, Inc.
LAA-8542A Fifth Amendment	LAX Retail Magic 3-4 Joint Venture
LAA-8552A Fifth Amendment	LAX Retail Magic 3-4 Joint Venture
LAA-8550A Fifth Amendment	Hudson-Magic Johnson Enterprises-Concourse Ventures, LLC
LAA-8551A Fifth Amendment	LAX Retail Magic 2 Joint Venture