

CEO Update

City Council Trade, Tourism and Travel Committee
September 18, 2018



Consolidated Rent-A-Car (ConRAC) Facility

BACKGROUND & OVERVIEW

- Improve the passenger experience by creating time-certain access and reduce traffic congestion in and around LAX
- LAX is the second-largest rental car airport market in the U.S., behind Orlando and Southern California represents the largest rental car market in the world
- 13 of the top 15 U.S. airports have ConRACs or are in development
- LAX rental car companies rent an average of 265,000 vehicles every month and continues to show strong demand
- Rental car privilege fees paid to LAWA represents the second largest source of non-airline revenues at LAX



Consolidated Rent-A-Car (ConRAC) Facility

PROCUREMENT RESULTS

- **LA Gateway Partners** is the Recommended Developer
 - Lowest cost financial proposal of all teams
 - 2nd-highest technical scoring proposal

HIGHLIGHTS

- Extremely flexible design that accommodates changes in market share of rental car companies
- Smaller facility footprint increases available area for future LAWA development
- At grade parking provides futureproofing optionality should rental car transactions decrease or increase
- Functionality and efficiency of design strongly supported by rental car company representatives.



Consolidated Rent-A-Car (ConRAC) Facility

SCHEDULE

Activity	Target Date
Approval of Early Works Agreement by Board of Airport Commissioners	September 6, 2018
BOAC Approval of Design-Build-Finance-Operate-Maintain Agreement (28-year contract)	October 18, 2018
Trade, Travel, and Tourism Committee - Report on selected team and agreement	October 31, 2018
City Council Approval of Contract	November 1, 2018
Commercial Close	November 6, 2018
Financial Close (anticipated)	December 2018
End of Proposal Validity Period	February 4, 2019

Consolidated Rent-A-Car (ConRAC) Facility

RECOMMENDED DEVELOPER

Collectively, the LAGP team has extensive experience designing, building and operating nearly 30 ConRACs domestically and internationally, including the **Atlanta-Hartsfield RAC** facility, the **Boston Logan Consolidated Rental Car Center**, and the **Nashville International Airport RAC** facility.

Key Members of LA Gateway Partners include:

Equity Members:

- Fengate Capital Management Ltd
- PCL Investments USA, LLC
- MVI Finance LLC

Lead Contractor:

- PCL Construction Services Inc.

Lead Designer:

- PGAL, Inc.
- AC Martin Partners, Inc.

Lead O&M Provider:

- Johnson Controls Inc.

QTA Manager:

- MVI Holdings LLC

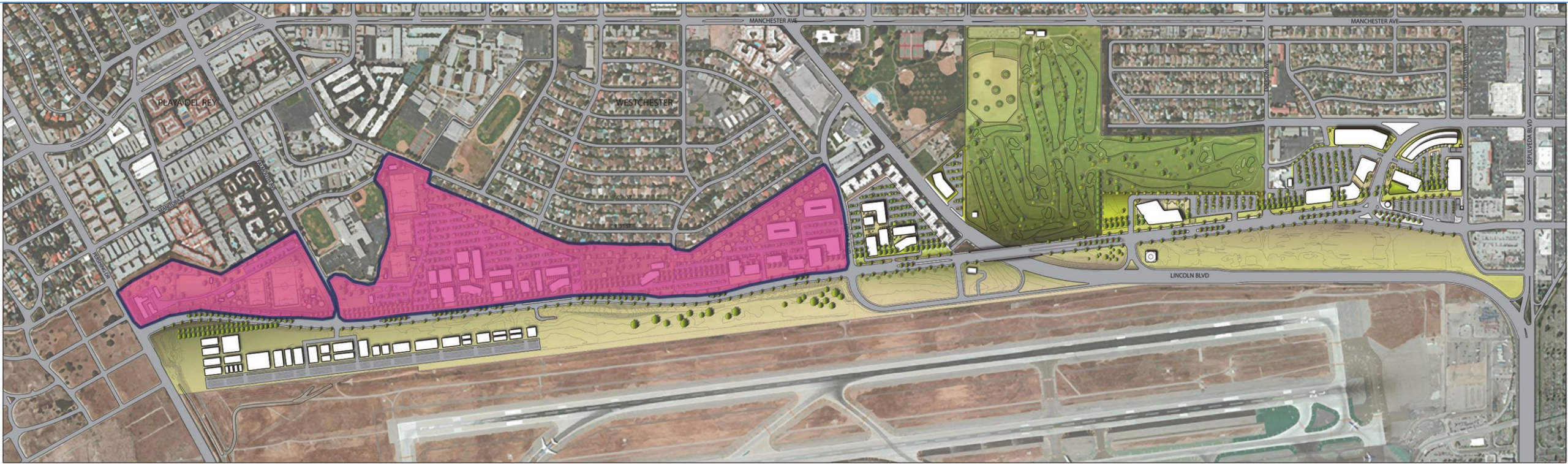
Landside Access Modernization Program (LAMP)

PROJECT UPDATE

- Automated People Mover (APM)
 - Developer – LINXS
 - Utility & Enabling work underway
- Intermodal Transportation Facility – West (ITF – West)
 - Developer – Swinerton Builders
 - Design and site preparation work underway
- Roadway Improvements
 - Utility & Enabling work in roadways around APM area underway
- Third-Party coordination
 - On-going meetings with varying agencies and businesses in the area



Northside Development Area



Overview

- 88 acres (pink area) of available space to develop for low-rise, non-residential use
- Landscaped zone to provide buffer between commercial development and residential community to the north
- Opportunity for open space, pedestrian walkways, recreation and civic uses
- Timeline
 - RFQ released – September 12, 2018
 - RFP release – targeting January, 2019

Other Capital Improvement Projects in the Central Terminal Area

PROJECT UPDATE

- **Terminal 1** – Southwest Airlines completing renovations Q4 2018
- **Terminal 1.5** – connector between T1 and T2; estimated completion in 2019
- **Terminals 2 & 3** – Delta Air Lines starting renovations; estimated completion in 2023
- **Terminals 7** – United Airlines now completing renovations
- **Midfield Satellite Concourse** – adding 12 new gates; estimated completion in 2020



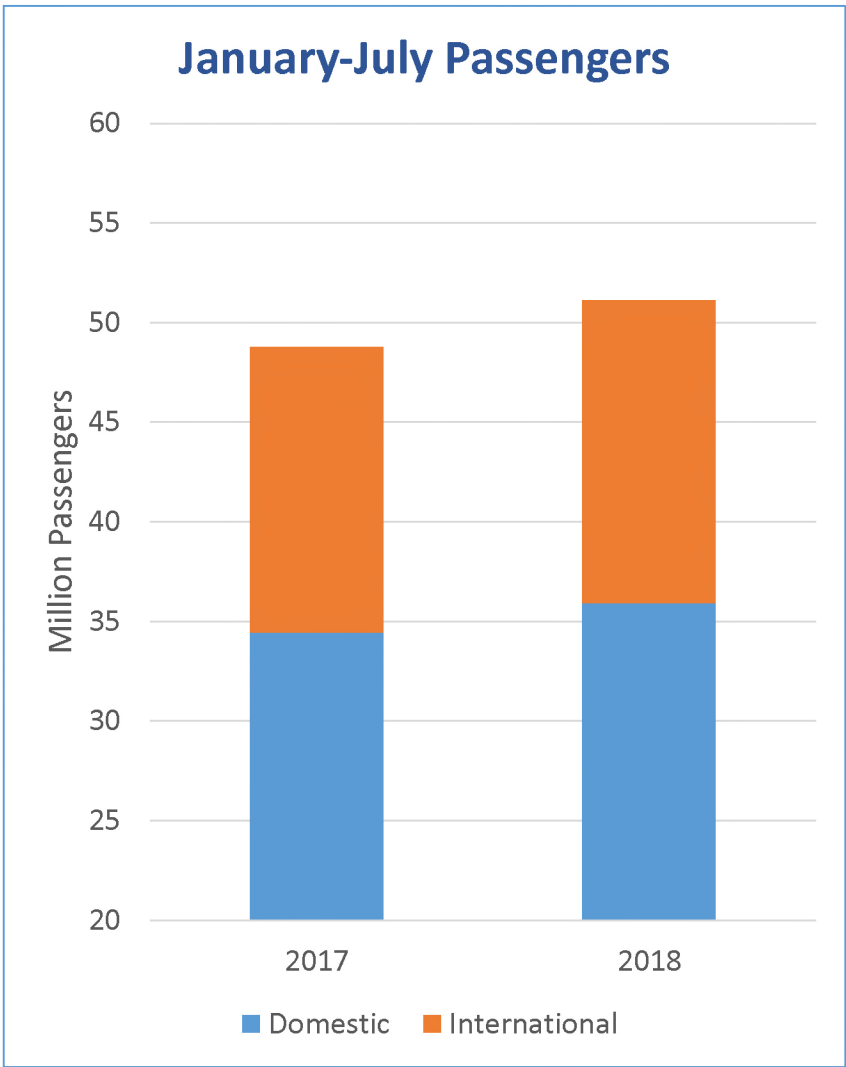
LAX Operations Continue to Grow



PASSENGER & CARGO GROWTH

- Total Passengers up 4.8%
- International Passengers up 5.9%
- Cargo up 2%
- Flights up 0.9%

**Year-over-year comparison from 2017 to 2018, January 1 to July 31

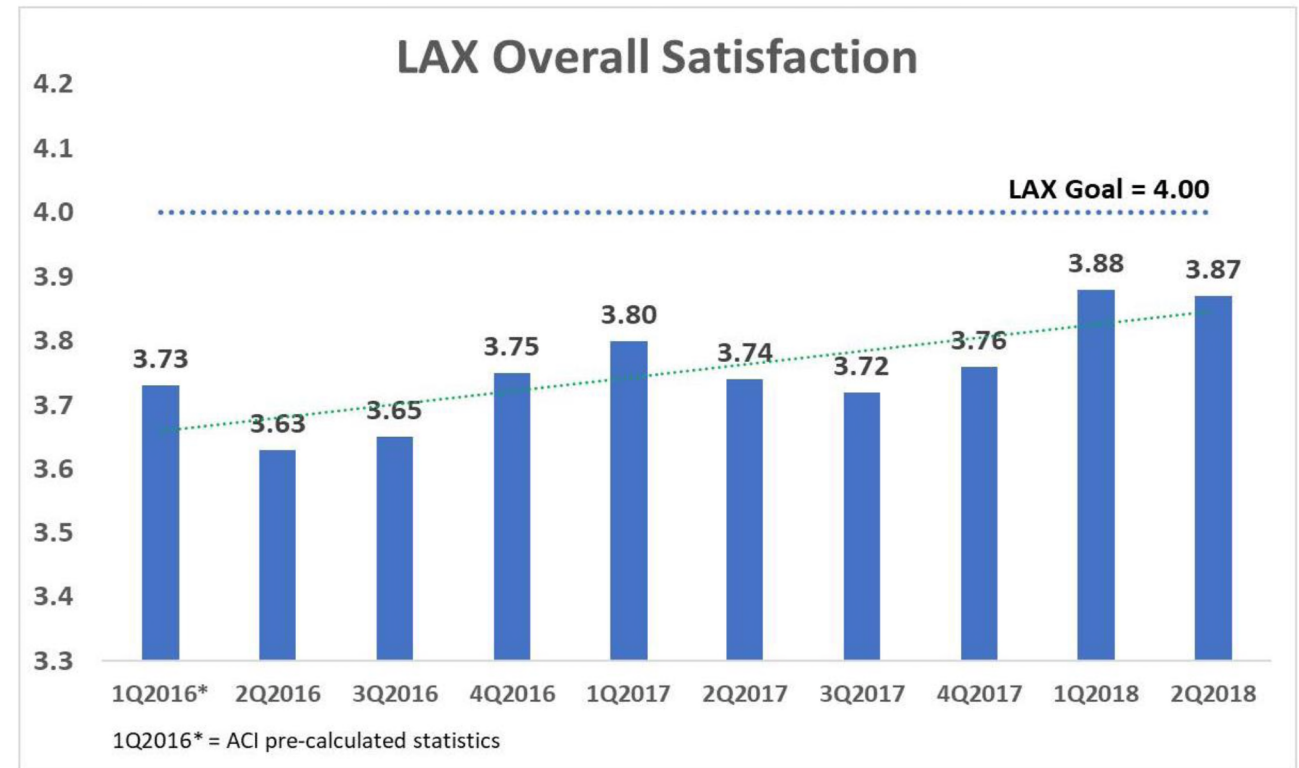


Guest Experience Update

ASQ SCORES

Airport Service Quality Score – Used as a measurement to assess the guest experience

Currently, ASQ scores are at **3.87** out of 5



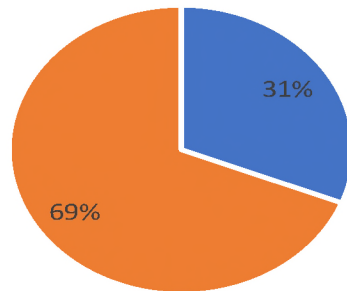
HIRELAX

- Third class started Sep 10th with 37 students
- Second class held in February had 29 graduates
- First class had 26 graduates



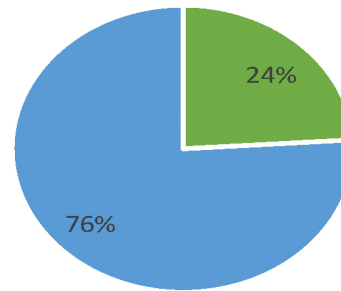
HireLAX Placement Rates

■ Not Placed ■ Placed



HireLAX Graduates by Gender

■ Women ■ Men



HireLAX Graduates by Ethnicity

■ Hispanic ■ Other ■ African American

