



# REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

*Ramon Olivares*

Approved by: Ramon Olivares – Director, Property Services

Reviewed by: Jeffrey Utterback – Deputy Executive Director, Commercial Development Division

*D. Dy*

City Attorney

Justin Erbacci, Chief Executive Officer

Meeting Date:

3/18/2021

CAO Review:

- Completed
- Pending
- N/A

Reviewed for	Date	Approval Status	By
Finance	3/5/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	CI
CEQA	3/2/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	VW
Procurement	3/4/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	LK
Guest Experience	3/4/2021	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	TB
Strategic Planning	3/5/2021	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KC

**SUBJECT: Fifth Amendment/Third Rent Relief Letter to Authorized Taxicab Supervision, Inc. Lease No. LAA-8562-1 for Taxicab Staging at 6150 West 96<sup>th</sup> Street near Los Angeles International Airport**

Approve the Fifth Amendment/Third Rent Relief Letter to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc., to adjust the performance-based rental rate, commencing April 1, 2021, for the staging and management of taxicab operations at Los Angeles International Airport due to the COVID-19 pandemic.

**RECOMMENDATIONS:**

Management RECOMMENDS that the Board of Airport Commissioners:

1. ADOPT the Staff Report.
2. DETERMINE that this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines.
3. APPROVE the Fifth Amendment/Third Rent Relief Letter to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc., as referenced in this Report.
4. AUTHORIZE the Chief Executive Officer to execute the Fifth Amendment/Third Rent Relief Letter to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc., upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

## **DISCUSSION:**

### **1. Purpose**

To allow Authorized Taxicab Supervision, Inc. to continue its taxicab staging and management operations at Los Angeles World Airports, by providing limited rent relief during the COVID-19 pandemic.

### **2. Prior Related Actions**

- **March 7, 2011 - Board Resolution No. 24394 (Lease No. LAA- 8562-1)**  
The Board of Airport Commissioners approved a ten-year ground Lease with Authorized Taxicab Supervision, Inc. for the property located at 9468 Alverstone Avenue at Los Angeles International Airport.
- **October 1, 2015 – Board Resolution No. 25804 (Lease No. LAA-8562-1A)**  
The Board of Airport Commissioners approved the First Amendment to Lease LAA-8562-1 with Authorized Taxicab Supervision, Inc. to incorporate substitute premises arising from the relocation of the taxicab holding lot at Los Angeles International Airport from 9468 Alverstone Avenue to 6150 West 96th Street.
- **April 16, 2020 – Board Resolution No. 27002 (Lease No. LAA-8562-1B)**  
The Board of Airport Commissioners approved a restructuring of monthly rent for a four-month period (March – June 2020) due to the adverse impacts of the COVID-19 pandemic.
- **September 3, 2020 – Board Resolution No. 27094 (Lease No. 8562-1C)**  
The Board of Airport Commissioners approved a restructuring of monthly rent for a nine-month period (July 2020-March 2021) due to the adverse impacts of the COVID-19 pandemic.
- **February 2021 – Los Angeles City Ordinance No. 186585**  
Under the Mayor’s March 27, 2020 order regarding commercial leases affected by the COVID-19 pandemic, the Chief Executive Officer approved a Fourth Amendment to Lease, extending the Lease term by one year, to March 31, 2022.

### **3. Current Action**

Authorized Taxicab Supervision, Inc. provides taxi management services at Los Angeles International Airport, including the management of taxicab dispatch and taxicab stands in the Central Terminal Area, taxicab staging, performing taxicab vehicle inspections, operating the taxicab holding lot, and collection of the Airport Taxicab Rate on behalf of Los Angeles World Airports. Authorized Taxicab Supervision, Inc. currently operates at Los Angeles International Airport under the following two agreements:

1. Concession Agreement No. LAA-8562, which provides for the fees and management associated with taxicab dispatch and related services (Concession Agreement); and
2. Lease No. LAA-8562-1, which provides for the premises needed for staging operations under the corresponding Concession Agreement.

As the COVID-19 pandemic continues to adversely impact their operations and revenues, Authorized Taxicab Supervision, Inc. has requested a further modification to the rent structure for the remainder of the Lease term. Following additional negotiations with Authorized Taxicab Supervision, Inc. representatives, staff recommends the Board of Airport Commissioners approve a Fifth Amendment/Third Rent Relief Letter to the Lease to further restructure the monthly rent for the period of April 1, 2021 through March 31, 2022.

For this period, staff proposes continuation of the modified performance-based rent structure, as shown in the following table:

<b>PROPOSED TERMS</b>					
<b>LEASE LAA-8562-1</b>					
<b>Description</b>	<b>Original Lease</b> <i>(as modified by 1<sup>st</sup> Amendment)</i>	<b>Second Amendment</b> <b>LAA-8562-1B</b>	<b>Third Amendment</b> <b>LAA-8562-1C</b>	<b>Fourth Amendment</b> <b>LAA-8562-1D</b>	<b>Fifth Amendment/Third Rent Relief Letter</b> <i>(Proposed)</i>
<b>Effective Date</b>	12/15/2015	No Change	No Change	No Change	No Change
<b>Expiration Date</b>	03/31/2021	No Change	No Change	03/31/2022	No Change
<b>Property Description</b>	<b>Land:</b> Commercial: 108,192 SF Paving-Auto: 108,192 SF	No Change	No Change	No Change	No Change (Los Angeles World Airports reserves the right to reduce the Premises, provided it does not impact Authorized Taxicab Supervision, Inc. operations)
<b>Rental Rate</b>	<b>Land:</b> Commercial: \$6.11 SF/YR Auto Parking: \$0.42 SF/YR	<b>Land:</b> Commercial: \$0.00 SF/YR Auto Parking: \$0.00 SF/YR	No Change	No Change	No Change
<b>Performance Based Rent</b>	None	\$1.00 per Taxicab Trip	July 2020 \$1.00 per Taxicab Trip August – Dec. 2020 \$1.25 per Taxicab Trip Jan 2021 – End of Term \$1.50 per Taxicab Trip	No Change	April 2021 – March 2022 \$1.00 per Taxicab Trip
<b>Monthly Base Rent</b>	\$58,875	None	\$58,875 once trips exceed 40,000 trips/month	No Change	\$58,875 on the first month that trips exceed 60,000 trips/month

In summary, the proposed Fifth Amendment/Third Rent Relief Letter to the Lease will allow Authorized Taxicab Supervision, Inc. to continue its taxicab management and operations at Los Angeles International Airport by modifying Authorized Taxicab Supervision, Inc.'s monthly rent payments.

For the six-month period August 1, 2020 – January 31, 2021, Authorized Taxicab Supervision, Inc. reported 118,441 trips and paid Los Angeles World Airports \$143,057 in rent. Base monthly rent, prior to the COVID-19 pandemic, was \$58,875/month, or \$353,250 for a six-month period.

***Action Requested***

Staff recommends the Board approve the Fifth Amendment/Third Rent Relief Letter to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc. (ATS) for the performance-based rate of \$1.00 per trip for one-year, from April 1, 2021 through March 31, 2022.

***Fiscal Impact***

Approval of this item is estimated to reduce revenue from April 1, 2021 to March 31, 2022 by approximately \$231,000.

**4. Alternatives Considered**

- ***Take No Action***

Failure to modify the performance-based rate to \$1.00 per trip will negatively impact Authorized Taxicab Supervision, Inc.'s operations by hindering its ability to provide taxicab staging and management at Los Angeles World Airports.

**APPROPRIATIONS:**

Approval of this action will not require an appropriation of funds.

**STANDARD PROVISIONS:**

1. The 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.
2. This proposed document(s) is/are subject to approval as to form by the City Attorney.
3. 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.
4. ATS is required by contract to comply with the provisions of the Living Wage / Service Contract Worker Retention Ordinances.
5. Leases are not subject to the Small Business Enterprise Program.
6. ATS is required by contract to comply with the provisions of the Affirmative Action Program.
7. ATS has been assigned Business Tax Registration Certificate number 820812-86.

8. ATS is required by contract to comply with the provisions of the Child Support Obligations Ordinance.
9. ATS must have approved insurance documents, in the terms and amounts required, on file with the Los Angeles World Airports.
10. This action is not subject to the provisions of Charter Section 1022 (Use of Independent Contractors).
11. ATS has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. ATS has been determined the by Public Works, Office of Contract Compliance to be in compliance with the provisions of the Equal Benefits Ordinance.
13. ATS will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX Airport jobs.
14. ATS has submitted the Bidder Contributions CEC Form 55 and will comply with its provisions.



SITE MAP



LOCATION MAP

