



RESOLUTION NO. 27497

WHEREAS, on recommendation of Management, there was presented for approval, Amendment to Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. to revise the payment terms as approved for all other concession agreements at Los Angeles International Airport, due to impacts of COVID-19; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

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President

Valeria C. Velasco
Vice President

Sean O. Burton
Gabriel L. Eshaghian
Nicholas P. Roxborough
Belinda M. Vega
Karim Webb

Justin Erbacci
Chief Executive Officer

WHEREAS, in October 2021, by Resolution 27363, the Board of Airport Commissioners (Board) approved the revised payment terms for concessionaires that were opened and operating at Los Angeles International Airport (LAX). Following said Board approval, the City Council approved amendment to all of the concession agreements, except for the two (2) Concessions Agreements (LAA-8586 and LAA-8587) with Host International, Inc. (Host), due to an open Living Wage Ordinance audit. The Bureau of Contract Administration reviewed the Living Wage Ordinance allegation and has closed the case with no finding against Host (see Exhibit 1, attached hereto and made part hereof). There are no outstanding complaints against Host and it is in full compliance with all contractual requirements; and

WHEREAS, to provide Host the rent relief that was originally proposed and approved by the Board in October 2021, Los Angeles World Airports (LAWA) is resubmitting the Amendment to Host's Concession Agreements LAA-8586 and LAA-8587. Following is a summary of the Amendment terms, which are the same as the terms approved by the Board for the other concessionaires in October 2021:

Description	Effective Date	Amendment
Rent	April 1, 2020 to June 30, 2022	Minimum Annual Guarantee (MAG) Suspension – pay percent rent only
MAG Reinstatement	July 1, 2022, until traffic reaches pre-COVID levels	Greater of: <ul style="list-style-type: none"> • Percent of Prior Year Gross Receipts as defined in the Agreement • Pro-rated MAG (Δ PAX Mar 2021 thru Feb 2022 / PAX Mar 2019 thru Feb 2020) X 2019 MAG
Annual MAG Adjustment upon Full Recovery	After traffic levels reach / exceed pre-COVID levels	Greater of: <ul style="list-style-type: none"> • Percent of Prior Year Gross Receipts as defined in the Agreement • Prior Year MAG • Pre-COVID MAG
3% Surcharge	April 1, 2020 to June 30, 2022	Allow 3% surcharge to cover employee health premium costs paid, through the period ending June 30, 2022, or upon full recovery of costs paid, whichever is sooner; and



WHEREAS, this action, as a continuing administrative activity, is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines; and

WHEREAS, Host is required by contract to comply with the provisions of the Service Contractor Worker Retention and/or Living Wage Ordinances; and

WHEREAS, Procurement Services reviewed the package (File 4799) and set no specific Airport Concessions Disadvantaged Business Enterprise (ACDBE) level of participation for the project as no subcontracting opportunities were identified. However, Host proposed 10% ACDBE participation, and has achieved 10% participation to date for Agreement LAA-8586. Host proposed 25% ACDBE participation, and has achieved 25% participation to date for Agreement LAA-8587; and

WHEREAS, Host is required by contract to comply with the provisions of the Affirmative Action Program; and

WHEREAS, Host has been assigned Business Tax Registration Certificate 0000605063-0001-3; and

WHEREAS, Host is required by contract to comply with the provisions of the Child Support Obligations Ordinance; and

WHEREAS, Host has approved insurance documents, in the terms and amounts required, on file with LAWA; and

WHEREAS, as these are concession agreements, the CAO has determined that this action is exempt from the provisions of Charter Section 1022 (Use of Independent Contractor); and

WHEREAS, Host has submitted the Contractor Responsibility Program Pledge of Compliance, and will comply with the provisions of said program; and

WHEREAS, Host has been determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance; and

WHEREAS, Host will be required to comply with the provisions of the First Source Hiring Program for all non-trade LAX jobs; and

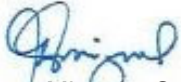
WHEREAS, Host has submitted the Bidder Contributions CEC Form 55, and will comply with its provisions; and

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 the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2.f. of the Los Angeles City CEQA Guidelines; approved the Amendment to Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. to revise the payment terms as approved for all other concession agreements at Los Angeles International Airport, due to impacts of COVID-19; and authorized the Chief Executive Officer, or designee, to execute the Amendment to said Concession Agreements LAA-8586 and LAA-8587 with Host International, Inc. after approval as to form by the City Attorney and approval by the Los Angeles City Council.

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I hereby certify that this Resolution No. 27497 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, May 19, 2022.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachment:
- Exhibit 1 (Living Wage Ordinance Audit - Closed)