



RESOLUTION NO. 26963

WHEREAS, on recommendation of Management, there was presented for approval, five (5)-year Non-Exclusive Space Use License Agreement with Alclear, LLC covering operation of an expedited traveler service program at Los Angeles International Airport; and

WHEREAS, to improve passenger flow through the security screening process, Alclear, LLC (Clear) developed a passenger verification technology that was approved by the Department of Homeland Security (DHS). Clear's biometric authentication (fingerprint or eye-scan) equipment replace manual inspection of documents by a Transportation Security Administration agent; and

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Justin Erbacci  
Interim Chief Executive Officer

WHEREAS, Clear's current agreement to provide the service at Los Angeles International Airport (LAX) expires on March 30, 2020. Clear is currently operating in all terminals except the Tom Bradley International Terminal (TBIT). Clear operates 35 kiosks (16 enrollment and 19 verification) throughout the terminals and employs approximately 125 local ambassadors at LAX. In addition to providing expedited screening service to passengers, Clear employees act as airport ambassadors. They keep current with airport information and provide much-needed direction and amenity assistance to airport guests; and

WHEREAS, use of a competitive bidding process for the Agreement is not reasonably practicable nor is it compatible with the City's interests since Clear remains the only expedited traveler service provider with approval from DHS for ticket document checking technology. Clear has also established operational efficiencies, formalized security protocols, and partnered with Los Angeles World Airports (LAWA) stakeholders (with business ventures executed with Delta, United, and Hertz) to deliver and achieve the required security and customer service standards. These and their membership portfolio growth from 13 to 33 airports in the last three (3) years, provides the best opportunity to generate revenue and provide exceptional guest service; and

WHEREAS, following is a summary of terms of the Agreement:

	Previous	New
Term	one (1) year	five (5) years
Commencement	June 1, 2017	upon execution
Expiration	March 30, 2020	five (5) years after execution
Options to Extend	two (2) one-year options	none
Minimum Annual Guarantee (MAG)	\$1,000,000	\$2,700,000
MAG Escalation	85% of previous year sales, whichever is greater	85% of prior year MAG, whichever is greater
Percentage Rent	12.5% of all sales from catchment area	12.5% of all sales from catchment area
Catchment Area	based on subscriptions of people living within a 100-mile radius of LAX	based on subscriptions of people living within a 100-mile radius of LAX, excluding San Diego County
Pod Locations	up to six (6) per terminal, excluding TBIT	up to six (6) per terminal; 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 categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

WHEREAS, Clear will be required to comply with the provisions of the Living Wage/Service Contractor Worker Retention and Child Support Obligations Ordinances as well as of the Affirmative Action Program; and

WHEREAS, Clear has been assigned Business Tax Registration Certificate 0002938391-0003-2; and

WHEREAS, Clear must have approved insurance documents, in the terms and amounts required, on file with LAWA prior to execution of the Agreement; and

WHEREAS, Clear must submit the Contractor Responsibility Program Pledge of Compliance and comply with the provisions of the program prior to execution of the Agreement; and

WHEREAS, Clear must be determined by Public Works, Office of Contract Compliance, to be in compliance with the provisions of the Equal Benefits Ordinance prior to execution of the Agreement; and

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

WHEREAS, Clear must submit 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 categorically exempt from CEQA requirements; found that use of competitive bidding 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 City of Los Angeles Charter; approved the five (5)-year Non-Exclusive Space Use License Agreement with Alclear, LLC covering operation of an expedited traveler service program at Los Angeles International Airport; and authorized the Interim Chief Executive Officer to execute said Non-Exclusive Space Use License Agreement with Alclear, LLC 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. 26963 is true and correct, as adopted by the Board of Airport Commissioners at its Regular Meeting held on Thursday, February 20, 2020.



Grace Miguel - Secretary  
BOARD OF AIRPORT COMMISSIONERS