



Los Angeles
World Airports

RESOLUTION NO. 27002

BE IT RESOLVED that, on recommendation of Management, the Board of Airport Commissioners approved Second Amendment to Lease LAA-8562-1 with Authorized Taxicab Supervision, Inc. to restructure the monthly rent for a four (4)-month period, covering leasehold located at 6150 West 96th Street near Los Angeles International Airport, for estimated total revenue loss of \$193,500 over the four (4)-month period, as referenced in the Board-adopted staff report attached hereto and made part hereof; and

LAX

Van Nuys

City of Los Angeles

Eric Garcetti
Mayor

Board of Airport
Commissioners

Sean O. Burton
President

Valeria C. Velasco
Vice President

Gabriel L. Eshaghtian
Beatrice C. Hsu
Nicholas P. Roxborough
Dr. Cynthia A. Teles
Karim Webb

BE IT FURTHER RESOLVED that the Board authorized the Interim Chief Executive Officer to execute the Second Amendment, upon approval as to form by the City Attorney and approval by the Los Angeles City Council; and

BE IT FURTHER RESOLVED that this item is categorically exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (18)(c) of the Los Angeles City CEQA Guidelines; and

BE IT FURTHER RESOLVED that this action is subject to the provisions of Los Angeles City Charter Sections 606.

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Justin Erpaci
Interim Chief Executive Officer

I hereby certify that this Resolution No. 27002 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, April 16, 2020.

Grace Miguel - Secretary
BOARD OF AIRPORT COMMISSIONERS





Los Angeles World Airports

Item **6** ber

REPORT TO THE BOARD OF AIRPORT COMMISSIONERS

Ra-OL

Approved by: Ramon Olivares- Director, Property Services

Jeffrey Utterback

Reviewed by: Jeffrey Utterback, Deputy Executive Director,
Commercial Development Group

D. Timothy Dazé

City Attorney

Justin Erbacci

Justin Erbacci, Interim Chief Executive Officer

Meeting Date:

4/16/2020

CAO Review:

☐ Completed
☒ Pending
☐ N/A

<u>Reviewed for</u>	<u>Date</u>	<u>Approval Status</u>	<u>By</u>
Finance	4/10/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> NA	RW
CEQA	4/9/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	PI
Procurement	4/10/2020	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> Cond	BH
Guest Experience	4/9/2020	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N	BY
Strategic Planning	4/10/2020	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> NA	KV

SUBJECT: Approval of Lease Amendment with Authorized Taxicab Supervision, Inc. at 6150 West 96th Street near Los Angeles International Airport

Approve the Second Amendment to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc. at 6150 West 96th Street near Los Angeles International Airport to restructure the monthly rent for a four-month period, resulting in a total projected revenue loss of up to approximately \$193,500 over the four-month period.

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 a Second Amendment to Lease No. LAA-8562-1 with Authorized Taxicab Supervision, Inc. as referenced in this report.
4. AUTHORIZE the Interim Chief Executive Officer to execute the Second Amendment, upon approval as to form by the City Attorney and approval by the Los Angeles City Council.

DISCUSSION:

1. Purpose

To provide ATS with four-month rent relief by restructuring the monthly rent due to the adverse impacts of the COVID-19 pandemic.

2. Prior Related Actions

- **March 7, 2011 - Board Resolution No. 24394 (Lease No. LAA- 8562-1 and Concession Agreement No. LAA-8562)**

The Board of Airport Commissioners (Board) approved a ten-year ground lease and concession agreement with ATS for the property located at 9468 Alverstone Avenue at Los Angeles International Airport (LAX).

- **October 1, 2015 – Board Resolution No. 25804 (Lease No. LAA-8562-1)**

The Board approved the First Amendment to Lease LAA-8562-1 with ATS to incorporate substitute premises arising from the relocation of the taxicab holding lot at LAX from 9468 Alverstone Avenue to 6150 West 96th Street.

- **January 14, 2016 – Board Resolution No. 25872 (Concession Agreement No. LAA-8562)**

The Board approved a First Amendment to Concession Agreement LAA-8562 with Authorized Taxicab Supervision, Inc. to revise the driver penalty structure for taxicab operations at LAX.

- **December 1, 2016 – Board Resolution No. 26119 (Concession Agreement No. LAA-8562)**

The Board approved the Second Amendment to Concession Agreement LAA-8562 with ATS to modify payment requirements covering management of taxicab operations at LAX.

3. Current Action

On March 7, 2011, the Board approved Lease LAA-8562-1 (Lease) and Concession Agreement No. LAA-8562 (Concession Agreement) with ATS, both of which became effective on April 1, 2011 for a 10-year term. The property associated with the Lease and the Concession Agreement is located at 6150 West 96th Street near LAX. The property includes 108,192 square feet (SF) of land, which ATS uses for taxicab staging and vehicle parking.

Pursuant to the Concession Agreement, ATS is authorized to collect a Taxicab Services Fee (TSF) of \$4.00 per trip as the sole revenue source to offset the cost of operating at LAX. Currently, ATS' payments to LAWA include an Airport Taxicab Rate (ATR) of \$1.70 per trip in addition to a monthly rent of \$58,785.

In March 2020, ATS submitted a letter to LAWA requesting rent relief, due to the current adverse impacts of COVID-19 pandemic. In this letter, ATS expressed that, due to the pandemic, its well below the threshold needed to pay its monthly rent to LAWA.

To provide ATS relief during the pandemic, staff recommends the Board approve a Second Amendment to the Lease, which will restructure the monthly rent from March 1 – June 30, 2020. More specifically, for the four-month period, staff proposes the monthly rent be changed from a flat rent of \$58,875 to a performance-based rent of \$1.00 per taxicab trip. Please see the chart below for detailed information regarding the Lease's Second Amendment.

PROPOSED TERMS		
LEASE LAA-8562-1		
Description	First Amendment (Current)	Second Amendment (Proposed)
Effective Date	12/15/2015	No Change
Expiration Date	3/31/2021	No Change
Property Description	Land: Commercial: 108,192 SF ¹ Auto Parking: 108,192 SF ¹	No Change
Rental Rates	Land: Commercial: \$6.11/SF/YR Auto Parking: \$0.42/SF/YR	Land: Commercial: \$0.00/SF/YR Auto Parking: \$0.00/SF/YR
Performance-Based Rent (3/2020 – 6/2020 <i>paid in arrears</i>)	None	\$1.00 per Taxicab Trip
Monthly Base Rent (3/2020 – 6/2020)	\$58,875 ²	None
CONCESSION AGREEMENT LAA-8562		
Description	Current	Proposed (3/2020 – 6/2020) <i>Paid in arrears</i>
ATR ⁴	\$1.70 per Trip	No Change
TSF	\$4.00 per Trip	No Change
1. Represents same land area. 2. Rounded up to the nearest dollar. 3. Estimated amount; based upon ATS' self-reported current volume of taxicab trips. 4. Revenue to LAWA. 5. Concessionaire may not increase TSF during the timeframe of 04/2020 – 06-2020.		

Action Requested

Staff recommends the Board approve the Second Amendment to Lease LAA-8562-1 that will restructure the monthly rent from March 1– June 30, 2020, resulting in projected monthly revenue loss of \$58,875 for that period (less any Performance-Based rent, including approximately \$42,000 due for March), equaling a total projected revenue loss of up to \$193,500 to LAWA over the four-month period, and authorize the Interim Chief Executive Officer to execute after approval as to form by the City Attorney and approval by the Los Angeles City Council.

Fiscal Impact

Approval of this item will result in a projected monthly revenue loss of approximately \$16,875 in March and up to \$58,875 from April 1– June 30, 2020, totaling a projected revenue loss of up to \$193,500 to LAWA over the four-month period, assuming the worst-case scenario of no activity and no performance-based rent for April, May and June.

4. Alternatives Considered

- ***Denying Request to Approve the Second Lease Amendment***

Failure to approve this action will negatively impact ATS' operations by hindering its ability to pay monthly rent and employee labor costs, including salary, benefits, insurance, medical, and taxes.

APPROPRIATIONS:

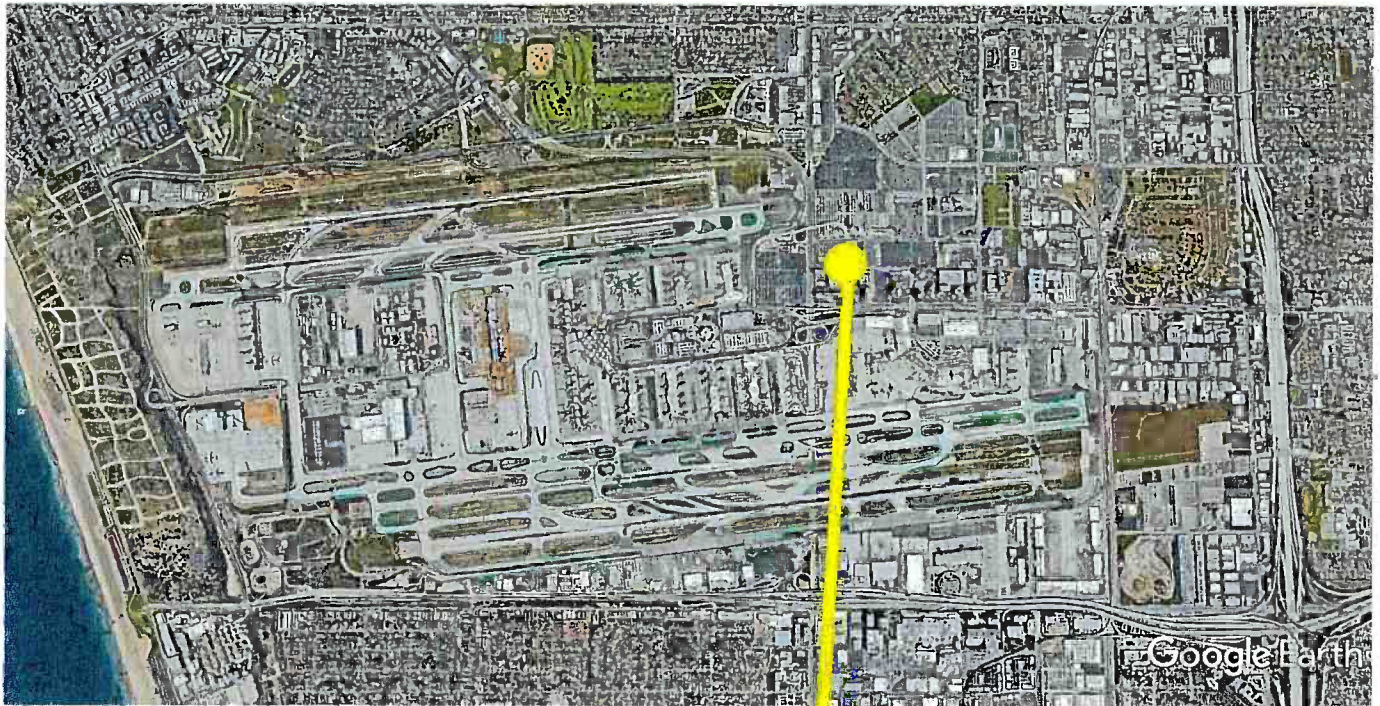
Approval of this action will not require an appropriation of funds.

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 categorically 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 has 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 Contractor).

11. ATS has submitted the Contractor Responsibility Program Pledge of Compliance and will comply with the provisions of the Contractor Responsibility Program.
12. ATS 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 lease amendment.
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 1

