

RESOLUTION NO. 27969

WHEREAS, on recommendation of Management, there was presented for approval, Fiscal Year 2024-2025 Passenger Terminal Rates and Charges for Los Angeles International Airport, for the period beginning July 1, 2024 through June 30, 2025, for [a] the Los Angeles International Airport Passenger Terminal Tariff, as amended, [b] agreements for use of passenger terminal space and equipment using the Tariff rates and charges methodology, and [c] the 2023 Amended and Restated Rate Agreement; and rescission of Resolution 27770; and

LAX
Van Nuys
City of Los Angeles
Karen Bass
Mayor

WHEREAS, in accordance with the Los Angeles International Airport (LAX) Passenger Terminal Tariff, as amended (Tariff), rates and charges for use of passenger terminal space and equipment at LAX are set each fiscal year. Said rates and charges are set pursuant to the rate-setting methodology outlined in the Tariff, which is based on recovery of capital and operating expenses pursuant to the Amended Rate Methodology, the LAX Passenger Terminal Tariff, and the Amended and Restated Rate Agreement (2023 ARRA); and

Board of Airport Commissioners
Karim Webb
President
Matthew M. Johnson
Vice President
Vanessa Aramayo
Courtney La Bau
Victor Narro
Nicholas P. Roxborough
Valeria C. Velasco
John Ackerman
Chief Executive Officer

WHEREAS, this action seeks to establish terminal rates and charges pursuant to the rate-setting methodology outlined in the Tariff. The Rate Agreement, which was approved by the Board of Airport Commissioners (Board) in September 2012, and amended and restated in December 2019 (further amended in June 2021 and amended and restated via concurrent action in June 2023), modifies the Tariff rates and charges established each fiscal year for airlines that are signatories to the Rate Agreement; and

WHEREAS, passenger airlines and airline consortiums, currently subject to the 2023 ARRA, are eligible for the 2023 ARRA benefits. In particular, the 2023 ARRA offers a phase-in of newly constructed parcels used to allocate Access Cost Center operating and capital expenses, effective July 1, 2024. Non-signatory airlines will bear full access cost allocation; and

WHEREAS, staff requested Board approval of the rates and charges (Attachments A-C, attached hereto and made part hereof) for use of demised and common-use passenger terminal space and equipment at LAX. Said rates and charges will be applicable to terminal users subject to the Tariff and to agreements that use the Tariff rates and charges terms and/or methodology.

	Fiscal Year 2025	Fiscal Year 2024	Variance Amount	Variance %
Terminal Building Rate	\$ 308.27	\$ 280.93	\$ 27.34	9.7%
Federal Inspection Services (FIS)	\$ 16.78	\$ 15.37	\$ 1.42	9.2%
Common Use Holdroom - Class 4	\$1,525.56	\$1,108.76	\$416.79	37.6%
Baggage Claim	\$ 2.66	\$ 2.63	\$ 0.03	1.2%
Outbound Baggage System	10.36	9.85	0.51	5.2%
Total Baggage System	\$ 13.03	\$ 12.48	\$ 0.55	4.4%
Ticket Counter	\$ 0.53	\$ 0.62	\$ (0.09)	-15.1%; and



WHEREAS, the Amended Rate Methodology includes the following types of rates and charges, including the revised, equalized common-use rates applicable to the use of all Los Angeles World Airports (LAWA) common-use facilities and equipment:

- (1) Terminal Buildings Rate – to recover capital costs and operations and maintenance (O&M) costs, and reserve deposits (if any) allocable to the terminals
- (2) FIS Fee – to recover capital costs and O&M costs, and reserve deposits (if any) allocable to the FIS facilities
- (3) Common-Use Holdroom Rate – to recover the estimated holdroom requirement, which is the product of the Terminal Buildings Rate and the total square footage of all Common-Use Holdrooms in the Terminals added to Loading Bridge Capital and Maintenance requirements
- (4) Common-Use Domestic Baggage Claim Rate – to recover the estimated baggage claim requirement, which is the total of the sum of O&M expenses associated with the common-use inbound baggage systems and the product of the Terminal Buildings Rate and the total square footage of all Common-Use Baggage Claim Areas in the terminals
- (5) Common-Use Outbound Baggage System Rate – to recover the estimated outbound baggage system requirement, which is the total of the sum of O&M expenses associated with the common use outbound baggage systems and the product of the Terminal Buildings Rate and the total square footage of all Common-Use Outbound Baggage System Areas in the terminals
- (6) Common-Use Ticket Counter Rate – to recover the estimated common-use ticket counter requirement, which is the product of the Terminal Buildings Rate and the total square footage of the Common-Use Ticket Counter space in the terminals
- (7) Terminal Special Charges – to recover charges for certain equipment and services that LAWA provides in certain terminals; and

WHEREAS, staff requested Board approval of the rates and charges (Attachments A-D, attached hereto and made part hereof) based on the Amended Rate Methodology for the use of demised and common-use passenger terminal space and equipment at LAX, calculated in accordance with each Carrier’s Rate Agreement. The rates and charges shall be applicable to airlines and airline consortiums that are signatories to their Rate Agreements:

• 2023 ARRA

	Fiscal Year 2025	Fiscal Year 2024	Variance Amount	Variance %
Terminal Building Rate	\$ 303.77	\$ 275.63	\$ 28.14	10.2%
FIS	\$ 15.49	\$ 14.20	\$ 1.28	9.0%
Common Use Holdroom - Class 4	\$1,227.38	\$1,088.10	\$139.28	12.8%
High Volume Cap - Class 4	\$1,883,323			
Baggage Claim	\$ 2.66	\$ 2.61	\$ 0.05	2.0%
Outbound Baggage System	10.25	9.70	0.55	5.7%
Total Baggage System	\$ 12.91	\$ 12.31	\$ 0.60	4.9%
Ticket Counter	\$ 0.51	\$ 0.60	\$ (0.09)	-14.8%

- Further Amended and Restated Rate Agreement (FARRA)

	Fiscal Year 2025
Terminal Building Rate	\$ 305.60
FIS	\$ 15.55
Common Use Holdroom - Class 4	\$1,401.06
Baggage Claim	\$ 2.66
Outbound Baggage System	10.60
Total Baggage System	\$ 13.27
Ticket Counter	\$ 0.52; and

Said rates and charges are based on the FY2024-2025 Budget. At the end of the fiscal year, LAWA will recalculate the rates and charges on the basis of actual expenses, activity, and other factors affecting the calculations, and will determine the amount of any overpayment (credit) or underpayment (deficit) due to or from each airline; and

WHEREAS, staff requested Board approval of use of the FY2024-2025 Tariff Terminal Buildings Rate in effect under the Tariff, pursuant to the Amended Rate Methodology for agreements covering non-aeronautical use of LAX passenger terminals; and

WHEREAS, staff requested Board approval of a FY2024-2025 charge for terminal utilities at the rate of \$9.00 per-square-foot-per-year (psfpy), comprising \$7.11 psfpy, \$1.07 psfpy, and \$0.82 psfpy for electricity, water, and gas, respectively. The per-square-foot costs are calculated as a pro-rata share of concessionaires' estimated footprint as a proportion of total terminal usable square feet. For FY2024-2025, concession spaces are estimated to occupy 5.6% of terminal usable square footage. The equivalent per-usage rates are \$0.2841 per kWh, \$13.5707 per HCF, and \$1.2252 per Therm for electric, water, and gas, respectively; and

WHEREAS, concessionaires must rent storage space to meet health and safety requirements as well as to store inventory to be able to meet customer demand. Staff requested Board approval of a Concessions Storage Rate at \$77.07 psfpy. Said rate represents 25% of the current Terminal Tariff Buildings Rate and is consistent with industry practice; and

WHEREAS, establishment or modification of any rate, fee or charge for the use of existing municipal facilities and services is exempt from California Environmental Quality Act (CEQA) requirements pursuant to Article III, Class 1 (31) of the Los Angeles City CEQA Guidelines; 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 245;

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 III, Class 1 (31) of the Los Angeles City CEQA Guidelines; approved the Fiscal Year 2024-2025 Passenger Terminal Rates and Charges for the period July 1, 2024 through June 30, 2025, based on the Amended Rate Methodology for [a] the Los Angeles International Airport Passenger Terminal Tariff, as amended, and [b] the 2023 Amended and Restated Rate Agreement; further approved use of the Fiscal Year 2024-2025 Terminal Buildings Rate based on the Amended

Rate Methodology and the 2023 Amended and Restated Rate Agreement for agreements covering [a] non-aeronautical use of the Los Angeles International Airport passenger terminals as such agreements' rental rate and [b] concessions agreements covering use of passenger terminal space as such agreements' rental rate; further approved the Fiscal Year 2024-2025 per-square-foot charge for utilities at the passenger terminal buildings for the period from July 1, 2024 through June 30, 2025, as detailed in this Resolution; further approved the Concessions Storage Rate for concessions agreements covering use of passenger terminal space at such agreements' concessions storage rental rate; further approved rescission of Resolution 27770, thereby canceling the terminal rates and other charges set by the Board of Airport Commissioners for the period ending June 30, 2024; and authorized the Chief Executive Officer, or designee, to adjust the Fiscal Year 2024-2025 Passenger Terminal Rates and Charges as necessary to correct clerical or calculation errors and as referenced in this Resolution, upon approval as to form by the City Attorney.

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I hereby certify that this Resolution No. 27969 is true and correct, as adopted by the Board of Airport Commissioners at its Special Meeting held on Thursday, June 13, 2024.



Grace Miguel – Secretary
BOARD OF AIRPORT COMMISSIONERS

Attachments:

- *A-C: Terminal Rates and Charges from July 1, 2024 through June 30, 2025*
 - *Terminal Rates and Charges FY 2025 Budget*
 - *Exhibit 1 Terminal Buildings Rates*
 - *Exhibit 2 FIS Rates*
- *D: FARRA Terminal Rates and Charges from July 1, 2024 through June 30, 2025*

**Attachments A-C Terminal Rates and Charges from July 1, 2024 through June 30, 2025
Attachment A - Terminal Rates and Charges FY2025 Budget**

**Attachment to
Resolution 27969**

**Los Angeles World Airports
Los Angeles International Airport
Terminal Rates and Charges
FY 2025 Budget**

Fiscal Year 2025

	Passenger Tariff	Rate Agreement
Terminal Buildings Rate per sqft per year	\$ 308.27	\$ 303.77
FIS Fee per deplaned international passenger	\$ 16.78	\$ 15.49
Common Use Rates -		
Common Use Holdroom Rates per full turn (T5, T6 68B, TBIT, MSC) -		
Aircraft class 1	\$ 4,195.28	\$ 3,375.30
Aircraft class 2	\$ 2,669.72	\$ 2,147.92
Aircraft class 3	\$ 1,906.94	\$ 1,534.23
Aircraft class 4	\$ 1,525.56	\$ 1,227.38
Aircraft class 5	\$ 1,220.44	\$ 981.91
Aircraft class 6	\$ 762.78	\$ 613.69
High Volume Common Use Holdroom Rate per Gate Aircraft class 4		\$ 1,883,323.00
Common Use Baggage Claim System Rate per deplaned domestic passage rate	\$ 2.66	\$ 2.66
Common Use Outbound Baggage System Rate per enplaned passenger	\$ 10.36	\$ 10.25
Common Use BMU Fee per enplaned passenger	\$ 2.31	\$ 2.12
Common Use Ticket Counter Rate per enplaned passenger (T1.5, T6, TBIT)	\$ 0.53	\$ 0.51
Terminal Special Charges-		
A. Custodial Rates		
Average Custodial Rate per sqft per year	\$ 18.59	\$ 18.59
<i>Custodial Charges for Common Use Areas -</i>		
a. Common Use Holdrooms (per enplaned passenger) (T5, TBIT, MSC)	\$ 0.35	\$ 0.35
b. Common Use Ticket Counters (per enplaned passenger) (T1.5, TBIT)	\$ 0.03	\$ 0.03
c. Common Use Baggage Claim Areas (per deplaned domestic passenger) (T1.5, T5, TBIT dom)	\$ 0.06	\$ 0.06
B. Equipment Maintenance and Capital Rates		
a. Terminal Airline Support System Rate per enplaned passenger (TBIT)	\$ -	\$ -
1. Terminal Airline Support System Special Charge for T1	\$ -	\$ -
2. Terminal Airline Support System Special Est. Charge for T2 & T3	\$ -	\$ -
b. Loading Bridge Rate - Maintenance (per full turn)-		
Aircraft class 1	\$ 205.54	\$ 205.54
Aircraft class 2	\$ 130.80	\$ 130.80
Aircraft class 3	\$ 93.43	\$ 93.43
Aircraft class 4	\$ 74.74	\$ 74.74
Aircraft class 5	\$ 59.79	\$ 59.79
Aircraft class 6	\$ 37.37	\$ 37.37
c. Loading Bridge Rate - Capital (per full turn)		
Aircraft class 1	\$ 160.20	\$ 160.20
Aircraft class 2	\$ 101.94	\$ 101.94
Aircraft class 3	\$ 72.82	\$ 72.82
Aircraft class 4	\$ 58.25	\$ 58.25
Aircraft class 5	\$ 46.60	\$ 46.60
Aircraft class 6	\$ 29.13	\$ 29.13
d. Loading Bridge Under Lease Capital Charge (per bridge per year)	\$ 53,000	\$ 53,000
		Other Rates
Specific per SQFT rate		
M&O Rate, UTC (Commuter & Other)		\$ 31.21
Concessions Storage Rate		\$ 77.07
Non-Aeronautical Utility Rates		
Electricity per sqft per year		\$ 7.11
Water per sqft per year		\$ 1.07
Gas per sqft per year		\$ 0.82
Combined Utility Rate per sqft per year		\$ 9.00
Electricity per kWh		\$ 0.2841
Water per HCF		\$ 13.5707
Gas per sqft per Therm		\$ 1.2252

Attachments A-C Terminal Rates and Charges from July 1, 2024 through June 30, 2025
Attachment B - Exhibit 1 Terminal Buildings Rates

Attachment to
Resolution 27969

Exhibit 1

TERMINAL BUILDINGS RATES

Los Angeles International Airport

Fiscal Year 2025

	Budget FY 2025	Budget FY 2024	Increase (Decrease)	
			Amount	%
TERMINAL BUILDINGS REQUIREMENT				
Unified Capital Requirement				
Debt Service	\$ 437,316,361	\$ 382,912,487	\$ 54,403,873	14.2%
Less: PFCs Used to Pay Debt Service	(161,471,243)	(130,192,724)	(31,278,519)	24.0%
Debt Service Net of PFCs	\$ 275,845,118	\$ 252,719,763	\$ 23,125,355	9.2%
Debt Service Coverage	49,266,320	45,630,172	3,636,148	8.0%
Amortization	131,984,855	116,783,106	15,201,749	13.0%
Unified Capital Requirement	\$ 457,096,292	\$ 415,133,041	\$ 41,963,251	10.1%
O&M Requirement	492,251,695	428,223,031	64,028,663	15.0%
TERMINAL BUILDINGS REQUIREMENT	\$ 949,347,987	\$ 843,356,073	\$ 105,991,914	12.6%
Calculation of Tariff Terminal Buildings Rate				
Terminal Buildings Requirement	\$ 949,347,987	\$ 843,356,073	\$ 105,991,914	12.6%
Divided by: Rentable Area	3,079,550	3,001,982	77,568	2.6%
Tariff Terminal Buildings Rate per sqft	\$ 308.27	\$ 280.93	\$ 27.34	9.7%
Calculation of Rate Agreement Terminal Buildings Rate				
Terminal Buildings Requirement	\$ 949,347,987	\$ 843,356,073	\$ 105,991,914	12.6%
Less: Tier One Terminal Buildings Revenue Sharing	(2,398,000)	(2,044,000)	(354,000)	
Less: TRIF Funded Delayed Amortization	(11,465,270)	(13,864,461)	2,399,190	-17.3%
Net Terminal Buildings Requirement	\$ 935,484,716	\$ 827,447,612	\$ 108,037,104	11.5%
Divided by: Rentable Area	3,079,550	3,001,982	77,568	2.6%
Rate Agreement Terminal Buildings Rate	\$ 303.77	\$ 275.63	\$ 28.14	10.2%
Rate Agreement Terminal Buildings Rate per sqft	\$ 303.77	\$ 275.63	\$ 28.14	10.2%

Attachments A-C Terminal Rates and Charges from July 1, 2024 through June 30, 2025
Attachment C - Exhibit 2 FIS Rates

Attachment to
Resolution 27969

Exhibit 2
FIS RATES

Los Angeles International Airport

Fiscal Year 2025

	Budget	Budget	Increase (Decrease)	
	FY 2025	FY 2024	Amount	%
FIS REQUIREMENT				
Capital Costs				
Debt Service	\$ 84,389,539	\$ 81,551,466	\$ 2,838,074	3.5%
Less: PFCs Used to Pay Debt Service	-	-	-	
Debt Service Net of PFCs	\$ 84,389,539	\$ 81,551,466	\$ 2,838,074	3.5%
Debt Service Coverage	18,006,000	17,402,000	604,000	3.5%
Amortization	16,663,889	15,250,000	1,413,889	
Amortization Deferral Recovery	2,625,597	2,625,597	\$ -	0.0%
Capital Costs	\$ 121,685,025	\$ 116,829,063	\$ 4,855,962	4.2%
O&M Expenses				
O&M Expenses (Prior Actual FY) allocated on basis of space	65,787,214	60,226,487	5,560,727	9.2%
Specific FIS O&M—Custodial	15,501,043	14,243,496	1,257,547	8.8%
Specific FIS O&M—Inbounds, Bag Carts, VSRs and APC	8,482,685	8,092,675	390,010	4.8%
Less: Adjustment	-	(15,000,000)		
GROSS FIS REQUIREMENT	\$ 211,455,967	\$ 184,391,721	\$ 27,064,246	14.7%
Less: Rental revenue of space in FIS Areas from governmental agencies	-	-		
NET FIS REQUIREMENT	\$ 211,455,967	\$ 184,391,721	\$ 27,064,246	14.7%
Calculation of Tariff FIS Rate				
Net FIS Requirement	\$ 211,455,967	\$ 184,391,721	\$ 27,064,246	14.7%
Divided by: Deplaned International Passengers (forecast FY/actual FY)	12,600,000	12,000,000	600,000	5.0%
Tariff FIS Rate per deplaned international passenger	\$ 16.78	\$ 15.37	\$ 1.42	9.2%
Calculation of Rate Agreement FIS Rate				
Net FIS Requirement	\$ 211,455,967	\$ 184,391,721	\$ 27,064,246	14.7%
Less: Tier One FIS Concession Revenue	(14,623,000)	(11,825,000)	\$ (2,798,000)	23.7%
Less: TRIF Funded Delayed Amortization	(1,689,730)	(2,117,457)		
Net FIS Requirement	\$ 195,143,237	\$ 170,449,264	\$ 24,693,973	14.5%
Divided by: Deplaned International Passengers (forecast FY/actual FY)	12,600,000	12,000,000	600,000	5.0%
Rate Agreement FIS Rate	\$ 15.49	\$ 14.20	\$ 1.28	9.0%

Attachment D FARRA Terminal Rates and Charges from July 1, 2024 through June 30, 2025

Attachment to
Resolution 27969

**Los Angeles World Airports
Los Angeles International Airport
Terminal Rates and Charges
FY 2025 Budget**

FY 2025 FARRA R&C's

	Attachment D	
	Passenger Tariff	Rate Agreement
Terminal Buildings Rate per sqft per year	\$ 310.10	\$ 305.60
FIS Fee per deplaned international passenger	\$ 16.85	\$ 15.55
Common Use Rates -		
Common Use Holdroom Rates per full turn (T5, T6 68B, TBIT, MSC) -		
Aircraft class 1	\$ 4,219.61	\$ 3,399.63
Aircraft class 2	\$ 2,685.21	\$ 2,163.40
Aircraft class 3	\$ 1,918.00	\$ 1,545.29
Aircraft class 4	\$ 1,534.40	\$ 1,236.23
Aircraft class 5	\$ 1,227.52	\$ 988.98
Aircraft class 6	\$ 767.20	\$ 618.11
High Volume Common Use Holdroom Rate per Gate Aircraft class 4		\$ 1,893,309.92
Common Use Baggage Claim System Rate per deplaned domestic passenger rate	\$ 2.68	\$ 2.66
Common Use Outbound Baggage System Rate per enplaned passenger	\$ 10.41	\$ 10.30
Common Use BMU Fee per enplaned passenger	\$ 2.31	\$ 2.12
Common Use Ticket Counter Rate per enplaned passenger (T1.5, T6, TBIT)	\$ 0.53	\$ 0.52
Terminal Special Charges-		
A. Custodial Rates		
Average Custodial Rate per sqft per year	\$ 18.59	\$ 18.59
<i>Custodial Charges for Common Use Areas -</i>		
a. Common Use Holdrooms (per enplaned passenger) (T5, TBIT, MSC)	\$ 0.35	\$ 0.35
b. Common Use Ticket Counters (per enplaned passenger) (T1.5, TBIT)	\$ 0.03	\$ 0.03
c. Common Use Baggage Claim Areas (per deplaned domestic passenger) (T1.5, T5, TBIT dom)	\$ 0.06	\$ 0.06
B. Equipment Maintenance and Capital Rates		
a. Terminal Airline Support System Rate per enplaned passenger (TBIT)	\$ -	\$ -
1. Terminal Airline Support System Special Charge for T1	\$ -	\$ -
2. Terminal Airline Support System Special Est. Charge for T2 & T3	\$ -	\$ -
b. Loading Bridge Rate - Maintenance (per full turn)-		
Aircraft class 1	\$ 205.54	\$ 205.54
Aircraft class 2	\$ 130.80	\$ 130.80
Aircraft class 3	\$ 93.43	\$ 93.43
Aircraft class 4	\$ 74.74	\$ 74.74
Aircraft class 5	\$ 59.79	\$ 59.79
Aircraft class 6	\$ 37.37	\$ 37.37
c. Loading Bridge Rate - Capital (per full turn)		
Aircraft class 1	\$ 160.20	\$ 160.20
Aircraft class 2	\$ 101.94	\$ 101.94
Aircraft class 3	\$ 72.82	\$ 72.82
Aircraft class 4	\$ 58.25	\$ 58.25
Aircraft class 5	\$ 46.60	\$ 46.60
Aircraft class 6	\$ 29.13	\$ 29.13
d. Loading Bridge Under Lease Capital Charge (per bridge per year)	\$ 53,000	\$ 53,000