

## **Bradley West Airline Premium Lounge Future Space Allocation**

### **Background**

The Bradley West Program will offer several opportunities for TBIT Airlines to further expand and/or develop new airline premium lounge space within the new Bradley West Central Core Expansion. The TBIT Airlines need to begin the process of determining how, if at all, they may want to take advantage of those opportunities.

Accordingly, the TBIT Airlines need to begin to work together to define the process that will allow the various airline alliances and non-aligned airlines or consortiums to determine what locations they may want for their airline premium lounge space in the new Bradley West Central Core (or in the existing lounge areas).

By later this year, the airline alliances and non-aligned airlines or consortiums should be in a position to have a concept of where their lounges will be located and/or how they may or may not change their current size and location. This will put them in position to begin discussions with LAWA regarding business terms. Additionally this will be beneficial to the airlines and the airport so that:

- They may begin their internal planning purposes
- In the event there is recognition that minor, reasonable changes could be made to the base building to accommodate a lounge design, there may be an opportunity to address this in a timely manner.

### **Issues Airlines will Need to Know**

There are several things that the airlines will want to know in order to determine how much lounge space they may want and what location options they may want to consider:

1. The cost per square foot rental for the space.
2. What are the options that are available?
  - a. Expand their current facility
  - b. All new Space
  - c. Take over an existing lounge
3. Timeline in order to be ready by opening day 12/12/12.
4. Other questions that may develop over this process.

### **Possible Lounge Options**

There are several options for new airline premium lounge locations available within the new Bradley West Central Core. These areas are available for airline premium lounge space on the 5<sup>th</sup> and 6<sup>th</sup> floors of the new central core. Access will be by stairs, elevators and escalators.

1. The existing 4<sup>th</sup> floor lounges will be impacted by the relocated consolidated security checkpoint (SSCP), which in the future will be located on the mezzanine level, all but eliminating the LAXSUL and Sky Team Lounge. Some small portions will remain, about 4,000 sf on the Sky Team Lounge, less on the LAXSUL lounge.

2. The 5<sup>th</sup> floor lounges will remain, however there will be a small impact on these lounges to accommodate a mechanical chase that needs to come up through the east wall of these lounges.
  - a. The One World Lounge has a potential convenient opportunity to remain in place and expand their lounge directly adjacent and contiguous to their existing lounge in the new central core building.
  - b. The Star Alliance does not have the same convenient opportunity for expansion of their space.
3. There are several opportunities for new lounge space on both the 5<sup>th</sup> and 6<sup>th</sup> floors of the new building.
4. There may be an option(s) that any of the airline alliances or non-aligned airlines or consortiums may consider for the two existing lounges on the 5<sup>th</sup> floor:
  - a. Would one of the two existing alliance lounges on the 5<sup>th</sup> floor consider taking over the adjacent lounge to combine it with their current space?
  - b. Would one of the non-aligned airlines or consortium of airlines (or one of the 4<sup>th</sup> floor lounges that are impacted by the SSCP relocation) consider taking over one of the 5<sup>th</sup> floor lounges?
  - c. These options would mean that the lounge tenant whose space was taken over, would build all their new space in the Bradley West core.

As you can see from the above, thinking outside the box, there are several viable options that are worthy of initial discussion among the various airline alliances and non-aligned airlines.

### **Next Steps**

In order to move the process forward and be in a position in a timely manner to achieve the above, there are several things that now need to begin:

1. Determine a rough estimate of how much lounge space may be needed, which will tell us how difficult the problem may be to determine who goes where.
2. Formalize a lounge committee with representation from each airline alliance and non-aligned airline or consortium lounge, which will meet on a regular basis with the goal to reach consensus among each other.
3. Open up opportunities for discussion/negotiation among the airlines to address possibilities and options as defined above or others as may be discussed or defined in this process.

The intent of these discussions is to first create and then achieve a mutually acceptable process where each airline alliance or non-aligned airline or consortium believes they had the same opportunity as every other airline in the process of determining airline premium lounge space allocation, so that the best interests of the entire TBIT community is served.