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Follow the Money at LAX.

Travel buffs have a new hobby: scrutinizing how Los Angeles International Airport spends \$1 billion a year on operations.

The L.A. city controller last week [put the finances of Los Angeles World Airports online](#). You can look up each invoice paid by the agency that runs LAX. You can see how the money is spent, check salaries of airport employees, chart car rentals by month and see maps of noise impact and rankings of airports world-wide showing LAX lagging. It opens up the inner workings of a major airport as never before.

"I think everybody would be surprised at how much it costs to operate a major airport, just what a massive operation is involved," says Los Angeles City Controller Ron Galperin. "These are very complicated operations."

The disclosure is part of the controller's push for more transparency and accountability in city spending. Mr. Galperin has put the checkbooks of different departments online, making every dollar spent downloadable and searchable, and it's been popular. The city controller's website got very little traffic until the spending information started going up in late 2013; since then it has tallied a total seven million page views.

"You name it, the city buys it," Mr. Galperin says.

The Los Angeles airport collects an average \$17 per passenger through concessions and fees: When you rent a car, the airport collects revenue from rental-car companies plus a \$10 fee to pay for facilities. The airport gets a cut of duty-free sales and every bottle of water sold. When you take a taxi, there's a \$4 fee paid to the airport per drop-off and pickup. Uber and Lyft pay it, too, for use of the roadway and curb spaces. Airlines pay the airport rent for the space they use and landing fees on each flight, which ultimately come out of passengers' pockets, too.

LAX is the largest airport in the country in terms of the number of passengers beginning or ending their trips there (Atlanta is biggest if passengers making connections are included). Costs at LAX are expected to rise as bills come due for a massive rebuilding program now under way.

Some of the spending showed up Tuesday after bombings at the Brussels airport, when LAX beefed up terminal patrols by police officers armed with automatic weapons and bomb-sniffing dogs. Los Angeles officials said they had no specific threat concerning the airport but wanted to show a bigger law-enforcement presence. Last year, LAX spend about \$120 million on security staffing costs, airport spokeswoman Nancy Castles said.

The biggest cost for LAX is employees. The airport spends \$374 million a year on salaries and benefits, about 37% of all spending, and another \$175 million on contractual services. Behind the scenes are maintenance workers, police and fire officers, airfield managers, lawyers, architects, accountants, PR teams, sales executives recruiting new airlines around the world and many others. (LAX and some other airports have their own police forces; others are patrolled by local municipal

police. Federal Transportation Security Administration officers aren't armed; they screen passengers and cargo boarding planes but don't carry out law enforcement at airports.)

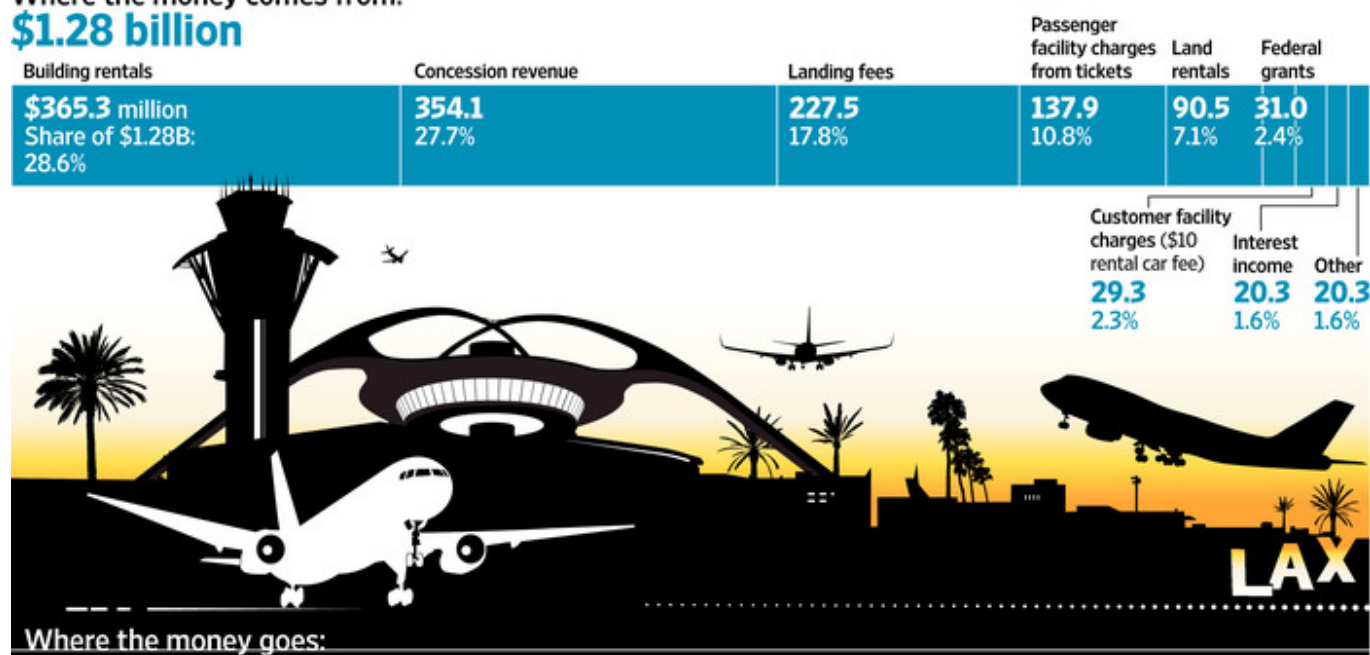
Airport spending world-wide has gone up as new terminals get built, old terminals get renovated and airports chase new business around the world, even offering to help airlines pay for launching new flights. Airports were once seen as low-cost loading docks for getting people on and off planes as cheaply as possible, with greasy hot dogs on rolling warmers available for the desperately hungry.

Easy Come, Easy Go

Fliers can look up every invoice at Los Angeles International Airport thanks to the L.A. city controller, Ron Galperin, who put the finances of the agency that runs the airport online. 'I think everybody would be surprised at how much it costs to operate a major airport,' Mr. Galperin says.

Where the money comes from:

\$1.28 billion



Where the money goes:

\$1 billion



Source: Los Angeles City Controller

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Now, though, airports are considered first-impression community gateways, showcases for art, high-quality food, amusement and local ambience. Airports increasingly see themselves pitched in global competition for air service.

But details of the spending at LAX show how running an airport is about much more than public art and incentives for foreign airlines. Los Angeles World Airports spent \$3.9 million on Smarte Carte luggage trolleys in 2015, \$314,425 for fingerprint and background checks on employees, \$257,348 on toilet paper, \$23,180 on foam ear plugs, \$15,805 on retirement clocks, \$11,296 on dog food for airport K-9 teams and \$10,562 on badge retractors (those wire things that clip to your belt).

"The scale of the airport's operation is often overlooked when considering the cost," says Ms. Castles, the airport spokeswoman.

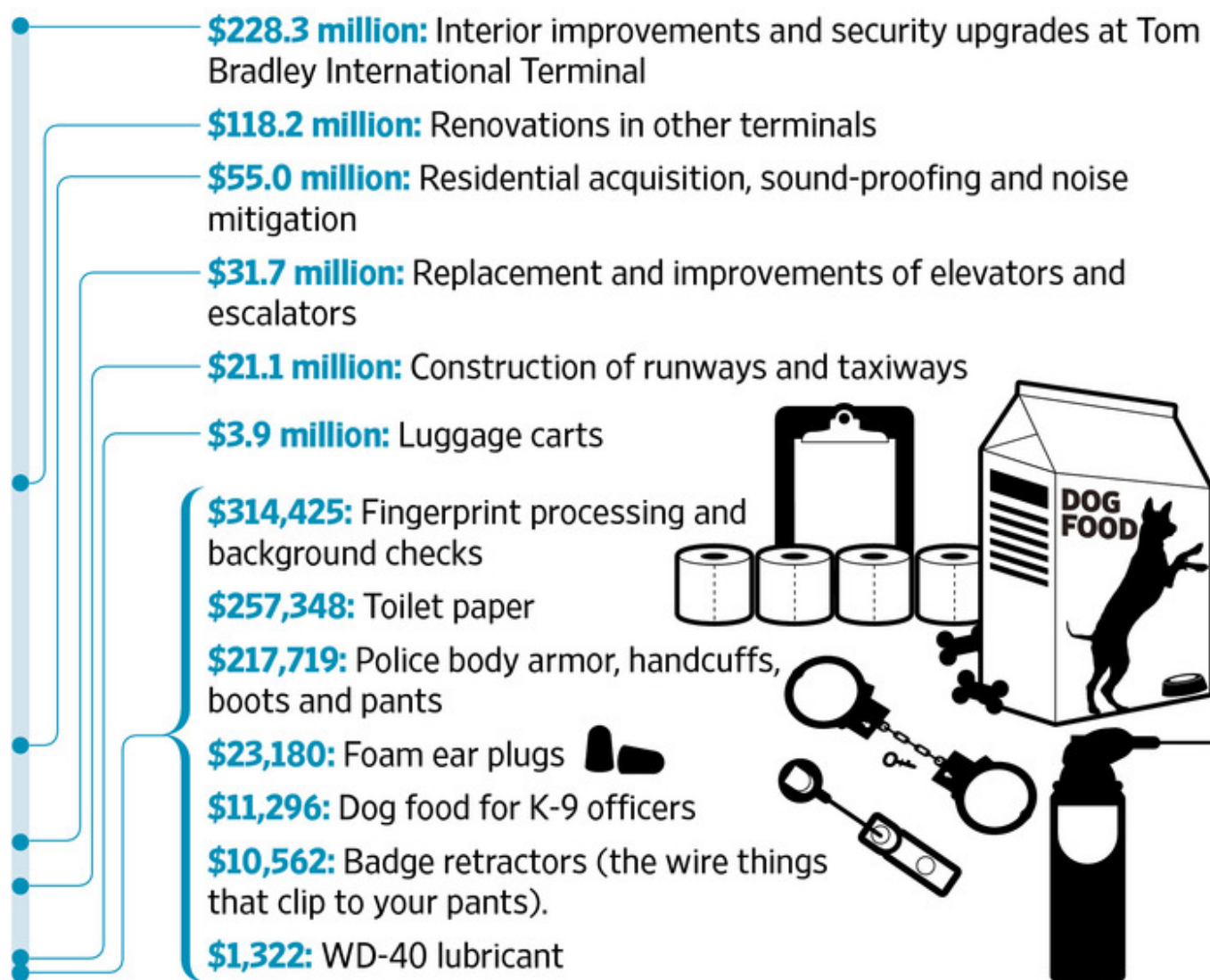
To keep things running smoothly at LAX, the airport agency bought \$1,322 worth of WD-40 lubricant. The total tab at Home Depot was \$417,811 for the year. The airport police department

bought \$271,719 worth of body armor, handcuffs, boots, pants and other supplies. Total AT&T bill in 2015: \$3.4 million.

There were plenty of big-ticket items. LAX is spending hundreds of millions on construction, including \$228 million worth of interior improvements and security upgrades at the Tom Bradley International Terminal last year. About \$118 million was spent in 2015 renovating other terminals, sound-proofing and noise mitigation, and \$32 million on escalators and elevators. The airport paid \$41 million to the city of Inglewood, Calif., for Inglewood's residential soundproofing and aircraft noise-reduction programs.

Fun Facts from the LAX Checkbook

Last year the airport spent:



Source: Source: Los Angeles City Controller

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More money is coming in as passenger traffic grows. Concession revenue, which includes parking and rental cars, is a big part of any airport's budget, bigger than landing fees. LAX has undergone a concessions makeover in its terminals with local restaurants spicing up the offerings. It's resulted in increases in concession revenue for the airport. Though some stores had to be shut down because of the construction, in-terminal concession revenue jumped 8% last year at LAX. Duty-free revenue was up 15%.

The \$8.5 billion modernization program largely will be paid for by the \$4.50 “passenger facility charge” added to each airline ticket. LAX, which has lagged in airport quality surveys around the world, is rebuilding the Bradley terminal now, expanding it with additional gates and concession areas, and will eventually build a central rental car facility, a train to the airport and a people mover inside the airport. There will also be big improvements to the central terminal area. A VIP terminal, paid for by a private company, is under development.

“Frankly the city of Los Angeles needs to see improvements in the passenger experience at LAX,” said Mr. Galperin. “There have been billions that have been spent and more billions that are going to be spent and we want to make sure that all of that is completely transparent.”

But any goodwill built with new facilities could get wiped out by traffic and parking problems, he says. A consultant’s report on LAX commissioned by the city council criticized the airport for a lack of traffic engineering and planning. Traffic already routinely approaches gridlock in the central terminal horseshoe, where picking up an arriving passenger can be an hour-long crawl with honking horns and police whistles blaring.

“Traffic will get worse before it gets better,” Mr. Galperin warns.

The airport has already implemented some recommendations from the consultant’s report and will deliver a complete formal response to its board in the weeks ahead, Ms. Castles says.

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March 23, 2016 2:29 p.m. ET

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