

CATEGORICAL EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed first amendment to the agreement with Ports America Cruise, Inc. to operate, manage, and maintain the Port of Los Angeles Cruise Terminal at Berths 90-93 and at the Outer Harbor overflow facilities (Overflow Facilities) located at Berth 46.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Section 1 (14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the first amendment to Operating Agreement No. 3112 between the City of Los Angeles Harbor Department and Ports America Cruise, Inc.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the Harbor Department's proposed first amendment to Agreement No. 3112 with Ports America Cruise will do the following: increase the maximum compensation for the Overflow Facilities from \$75,000 to \$150,000 per ship call in allowable expenses to service larger vessels at the Berths; pay a one-time reimbursement to Ports America Cruise of \$198,816 for the purchase of gangways systems used at the Overflow Facilities; increase the fixed monthly management fee from \$125,000 per month to \$127,000 per month due to an annually adjusted increase of the Consumer Price Index rate; and, revise contract language that to reduce the number of days that Ports America Cruise has to notify the Harbor Department in advance for pass through reimbursement for three or more cruise vessel calling at the Overflow Facilities, from the current 60 days to a proposed 15 days. There is no impact on the City General Fund and funding for the proposed amendment has been included in the Harbor Revenue Fund. Any future funding for the agreement will be requested as part of the Harbor Department's annual budget process.

Community Impact Statement: None submitted.

TIME LIMIT FILE – APRIL 17, 2015

(LAST DAY FOR COUNCIL ACTION – APRIL 17, 2015)

SUMMARY

At a special meeting held on March 24, 2015, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to first amendment for Operating Agreement No. 3112 with Ports America Cruise to operate, manage and maintain the Port of Los Angeles Cruise Terminal at Berths 90-93 and the Overflow Facilities for the loading and unloading of additional cruise line passengers at Berth 46. The CAO reports that the original agreement with Ports America Cruise, approved in April 2013, was for a term of five years, with two subsequent five-year renewal options, for a total contract of 15 years. The proposed amendment will increase the maximum compensation for the Overflow Facilities from \$75,000 to \$150,000 per ship call (or ship arrival) in allowable expenses in order to service larger vessels at the Berths and pay an one-time reimbursement to Ports America Cruise of \$198,816 for their purchase of gangways (passageways) systems used at the Overflow Facilities.

An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
BUSCAINO:	YES
BONIN:	YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-