

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **TRADE, COMMERCE, AND TOURISM** Committee

reports as follows:

ADMINISTRATIVE EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed Operating Agreement with Ports America Cruise, Inc. for the operation, management, and maintenance of the Port of Los Angeles Cruise Terminal at Berths 90-93.

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 II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Operating Agreement 13-3112 with Ports America Cruise, Inc. for the operation, management, and maintenance of the Port of Los Angeles Cruise Terminal at Berths 90-93.

Fiscal Impact Statement: The Board of Harbor Commissioners (Board) reports that the proposed Agreement with Ports America will allow for uninterrupted cruise service to the Cruise Terminal. Sufficient funds have been budgeted for Cruise Terminal operations. Since the execution of the Interim Operating Agreement, Ports America submitted invoices on January 14, 2013, for the months of October, November, and December 2012, totaling \$205,039. In the current fiscal year, \$1.2 million has been budgeted for Cruise Terminal operations in Account 54290, Center 0424, Project 000. The contract term extends over two fiscal years; sufficient funds will be included in the Harbor Department's Fiscal Year 2013/2014 proposed budget for this purpose.

Community Impact Statement: None submitted.

TIME LIMIT FILE - MAY 17, 2013

(LAST DAY FOR COUNCIL ACTION - MAY 17, 2013)

SUMMARY

At a special meeting held on April 22, 2013, your Trade, Commerce and Tourism Committee considered a Port transmittal relative to the Operating Agreement with Ports America Cruise, Inc. for the operation, management, and maintenance of the Port of Los Angeles Cruise Terminal at Berths 90-93 in San Pedro. The Board reports that the proposed term of the Agreement is for five years, with two five-year options for renewal. Proposed annual compensation for the first year is \$1,830,000, which includes an annual flat management fee of \$1,500,000, additional costs for outer harbor cruise expenses not to exceed \$75,000 per ship call, and an additional one-time expense to upgrade the Harbor Department's audio visual system used by all the cruise lines.

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
ROSENDAHL:	YES
BUSCAINO:	YES

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