

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Port of Los Angeles (POLA) agreement with Ports America Cruise, Inc.; to modify the Consumer Price Index (CPI) provision.

Recommendations for Council action:

1. **ADOPT** the determination by the Board of Harbor Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. **APPROVE** the Port Resolution No. 18-8342 for the Third Amendment to POLA Agreement No. 18-3112 with Ports America Cruise, Inc.; to modify the CPI provision.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed Third Amendment to the POLA agreement with Ports America Cruise, Inc., will modify the CPI rate provision, as a result of a new CPI rate introduced by the Bureau of Labor Statistics. The annual CPI adjustment will have the effect of increasing the compensation fees paid to Ports America Cruise, Inc., by the POLA to operate, manage and maintain the cruise terminal at its Berths 91-93 and the Outer Harbor Overflow Facilities for loading and unloading of additional cruise line passengers at Berth 46. All other terms and conditions in the agreement remain the same. Any future funding for the agreement will be requested in the POLA's annual budget process.

Community Impact Statement: None submitted.

TIME LIMIT FILE – NOVEMBER 26, 2018

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 21, 2018)

SUMMARY

In a report to the Mayor dated October 17, 2018, the CAO states that POLA requests approval of the proposed Third Amendment to Agreement No. 13-3112 with Ports America Cruise, Inc., to modify the contract's CPI provision. The Bureau of Labor Statistics for Los Angeles-Long Beach-Orange County has introduced a new CPI and discontinued the existing index. According to POLA, the new CPI adjustments will increase the fees paid to Port America by POLA.

The CAO goes on to report that the new CPI will coincide with the annual adjustment of compensation for the first five-year renewal option and sixth year of the original agreement. The proposed amendment adjusts compensation for the fixed monthly management fee and the Overflow Facilities for Ports America. The current fixed monthly management fee for Ports America is approximately \$134,500 and the Overflow Facilities is \$154,675. The Overflow Facilities provide services to larger cruise vessels that require additional services, rental, equipment, and supplies. The compensation to POLA has increased since the initial agreement due to an increase of more and larger ship arrivals at the berths.

On September 6, 2018, the Board of Harbor Commissioners approved POLA's request. The

CAO concurs with this action.

At its special meeting held October 30, 2018, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed amendment of the POLA agreement with Ports America, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
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BUSCAINO:	YES
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BONIN:	YES
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KREKORIAN:	YES
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-NOT OFFICIAL UNTIL COUNCIL ACTS-