



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 1, 2015

FROM: COMMUNITY RELATIONS

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND INTERNATIONAL LOBSTER FESTIVALS, INC.

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into an agreement with International Lobster Festivals, Inc., to act as promoter and organizer of the annual Port of Los Angeles Lobster Festival. The agreement begins with the 2015 event and includes an option for the Harbor Department to extend the agreement for two additional one-year terms with a financial commitment of \$35,000 per year, for a total of \$105,000 over the full three-year term. International Lobster Festivals, Inc. will explore ways to recoup some or all of these funds for the Harbor Department beginning with the 2015 event.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with the Los Angeles City Charter Section 1022, the services required can be performed more feasibly by an outside contractor rather than by City Employees;
2. Find that the work is of a specialized and temporary nature which can be performed more feasibly by an outside contractor;
3. Find that the proposed event sponsorship is consistent with the criteria of the Sponsorship/Hosting Policy adopted in March 2010; and
4. Authorize the Executive Director to execute and the Board Secretary to attest to the agreement with International Lobster Festivals, Inc. for one year with two additional one year options for a not-to-exceed amount of \$105,000; and
5. Adopt Resolution No. _____

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DISCUSSION:

Background and Context -The annual three-day Port of Los Angeles Lobster Festival (Lobster Festival) is held annually and is in its 16th year. This event is now the premier lobster festival in the country and includes children's rides and activities, crafts and food booths, live entertainment, and other attractions. A major draw for this family event is the reasonably priced Maine lobster meal. In 2014, attendance for the three-day festival was approximately 41,900, with 29,600 lobster dinners served. In 2009, the Lobster Festival set a Guinness world record for serving the most seafood prepared in an eight-hour period at an outdoor event (12,527 pounds of lobster).

Past years' support has been in the form of title sponsorship for the Harbor Department in an amount between \$35,000 and \$50,000 per year. The organizer is responsible for acquiring other sponsors for the event in addition to all planning, staging and promotional activities. With a new Harbor Department focus on cost-neutral large-scale events, the Request for Proposals (RFP) for this new agreement included an exercise for the proposers to present a scenario where some or all of the Harbor Department's sponsorship funding could be recouped. International Lobster Festivals, Inc., submitted a proposal whereby the Harbor Department would recoup fifty-cents for every lobster meal sold, potentially covering approximately \$15,000 of the \$35,000 sponsorship funding.

International Lobster Festivals, Inc. has been the organizer for the Port of Los Angeles Lobster Festival since its inception in San Pedro in 1999. Mr. Jim Hall, president of International Lobster Festivals, Inc., was the originator of the Lobster Festival in Redondo Beach prior to 1999. International Lobster Festivals, Inc. has partnered with San Pedro Fish Market to produce the event's signature Maine lobster meals and has developed infrastructure and processes to be both environmentally-sound and able to handle volume at approximately 2,000 lobsters per hour in order to efficiently provide dinners for the attendees.

Historically, the event has been held in mid September at the south end of Ports O'Call Village, this year the event will take place September 25-27, 2015. For strategic marketing and planning reasons, the Harbor Department is moving the Festival to July and the location to the Outer Harbor for 2016 festival and beyond.

The Lobster Festival is a ticketed event with the entire site fenced for security and safety. International Lobster Festivals, Inc. is responsible for attracting and securing vendors for international foods, beverages, and arts and crafts, as well as for securing games and activities for children, and live entertainment. In addition, the contractor is responsible for

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obtaining all required licenses and permits, and shall complete all necessary planning and logistical requirements including, but not limited to, insurance, all equipment, signage, security, public transportation, trash clean-up, and site maintenance. As the title sponsor, the Harbor Department will be prominently featured on all advertising, signage and other promotional materials. The Harbor Department holds the copyright for the event name and logo. Beyond the \$35,000 sponsorship by the Department, the consultant bears all risk for the potential financial profit or loss from the event.

Under the terms of the agreement (Transmittal No 1), International Lobster Festivals, Inc. will provide the Harbor Department with up to three booths for information dissemination, additionally they will make booths available for firms to sell merchandise and or promote services. Also, free booths will be made available to local charities. In 2014, harbor area firms employing a total of 309 local residents were hired to provide these goods and services. Additionally, in 2014, \$31,000 was raised by local charities involved with the event.

The contractor is responsible for execution of a targeted, broad-ranging advertising and outreach plan for promotion of the event through various media outlets, social media channels (such as Facebook), and other news outreach.

Selection Process - International Lobster Festivals, Inc. was selected through a Request for Proposals (RFP) process with the RFP being issued on February 17, 2015. Although firms submitted questions regarding the RFP, only one response was received and evaluated. International Lobster Festivals Inc. was determined to be qualified by demonstrating they had event planning promotional experience, partnerships with local entities and a local vendor who can supply the required estimated volume of Maine lobsters.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a one year agreement with two one-year options with International Lobster Festivals, Inc. for promotion and organization of the Annual Port of Los Angeles Lobster Festival of which the Harbor Department is the title sponsor. As an administrative activity related to a temporary use of land having no permanent effects on the environment, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) and Article III Class 4(6) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

Approval of the proposed Agreement will support 1 direct and 1 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

The financial impact of the proposed three-year agreement (one year plus two one-year extensions) is that the Harbor Department will commit \$35,000 per year to sponsor the annual Port of Los Angeles Lobster Festival. At the end of three fiscal years, it is expected that \$105,000 will have been expended under this agreement with a potential recoup amount of \$45,000 to the Harbor Department and \$90,000 to local charities.

Funds in the amount of \$35,000 have been requested to be budgeted in the FY 2015/16 budget in Account 52031 (Sponsorships), 0220 (Community Relations), Program 620 (Community Outreach). If the agreement is approved, \$35,000 will be requested to be budgeted as part of the Department's annual budget adoption process in the 2016-17 and 2017-18 fiscal year budgets. Per the terms of the agreement, if future fiscal year funds are not appropriated by the Board for the subsequent fiscal year as by the agreement, the agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

Funds for staff in-kind services are budgeted by the respective divisions.

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CITY ATTORNEY:

The Office of the City Attorney reviewed and approved the agreement as to as to form and legality.

TRANSMITTAL:

1. Proposed agreement with Intentional Lobster Festivals, Inc.

FIS Approval: MB (initials)
CA Approval: CS (initials)

For 
THERESA ADAMS LOPEZ
Director of Community Relations


ARLEY BAKER
Sr. Director of Communications


DOANE LIU
Deputy Executive Director and Chief of Staff

APPROVED:


EUGENE D. SEROKA
Executive Director