



DATE: MAY 9, 2012

FROM: HISTORIC SITE OFFICE (ARCHIVES)

**SUBJECT: ORDER NO. _____ APPROVING LICENSING AGREEMENT AND
ESTABLISHING LICENSING FEE SCHEDULE FOR COMMERCIAL
USE OF LOS ANGELES HARBOR DEPARTMENT PHOTOGRAPHS**

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) requests that the Board of Harbor Commissioners (Board) approve an Order approving the form of Licensing Agreement and establishing the license fee schedule for licensing fees for commercial use of Harbor Department photographs, to be submitted to City Council for approval by ordinance under Charter Sections 606 and 653(a).

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Direct the Board Secretary to send a revised transmittal letter to City Council with regard to processing Council File No. 12-0633, to request that City Council disapprove said matter in order to permit the Harbor Department to make technical and administrative corrections; and
2. Adopt Order No. 12-_____ approving the form of Licensing Agreement previously approved under Resolution No. 12-7268 and establishing the Licensing Fee Schedule for commercial use of Harbor Department photographs; and
3. Direct the Board Secretary to transmit to City Council, a consolidated package that includes (i) Order No. 12-_____ and proposed Ordinance for approval pursuant to City Charter Sections 606 and 653(a), and (ii) the form template Licensing Agreement 12-3050 previously approved by the Board on March 1, 2012, for approval pursuant to City Charter Section 606, and (iii) a request that City Council authorize the Executive Director or his/her designee, to execute the Licensing Agreement with individual licensees in accordance with the Ordinance; and

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4. Direct the Board Secretary, following City Council approval of this Order by Ordinance, to execute and transmit the Order and Ordinance to Harbor Department staff to post the Licensing Fee Schedule on the Port's website.

DISCUSSION:

Prior Action – On March 1, 2012, the Board approved Resolution No. 12-7268, approving the template form of Licensing Agreement No. 12-3050 and a Licensing Fee Schedule for licensing fees for commercial use of Harbor Department photographs, and directing the Board Secretary to transmit the Licensing Agreement and Licensing Fee Schedule to the City Council for approval (Transmittal 3). On April 25, 2012 the Board Secretary transmitted the Licensing Agreement and Licensing Fee Schedule to the City Council for approval pursuant to Section 606 of the City Charter, and on April 27, 2012 Council File No. 12-0633 was opened. Council File No. 12-0633 was referred to the Trade, Commerce and Tourism Committee and is pending Committee and Council approval, which must occur by May 27, 2012. On May 2, 2012, the Chief Legislative Analyst requested that the Harbor Department include an Order of the Board and Ordinance adopted by City Council approving the Order pursuant to City Charter Section 653(a), in order to approve the fee schedule accompanying the Licensing Agreement No. 12-3050 in Council File No. 12-0633. Staff and the Office of the City Attorney have determined it is better to resubmit a new package to City Council inclusive of all required documentation.

Proposed Action – The Harbor Department therefore requests that the Board approve an Order approving the form of Licensing Agreement and establishing the Licensing Fee Schedule (Transmittal 1), and direct the Board Secretary to transmit to City Council for adoption, an Ordinance approving the Order pursuant to Section 653(a) of the City Charter (Transmittal 2). In order for the Order and Ordinance to be considered by Council together with Licensing Agreement 12-3050, the Harbor Department further requests that the Board direct the Board Secretary to send a revised transmittal letter to City Council with regard to processing Council File No. 12-0633, to request that City Council disapprove said matter in order to permit the Harbor Department to make technical and administrative corrections. Finally, the Harbor Department requests that the Board direct the Board Secretary to submit to City Council for approval in one Council action, a consolidated package that includes (i) the Order and proposed Ordinance approved in this action, including the form of Licensing Agreement 12-3050 previously approved by the Board on March 1, 2012 (Exhibit A to Order and Ordinance), and (ii) a request that City Council authorize the Executive Director or his/her designee, to execute the Licensing Agreement with individual licensees in accordance with the Ordinance and Harbor Department policy.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is to approve an Order establishing a Licensing Fee Schedule. As an administrative activity setting fees, 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 of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment effect.

FINANCIAL IMPACT:

Receipts of licensing fees under the proposed Board action will be deposited into Harbor Department Account 49093 (Photo Licensing & Commercial Use Fees). Based on requests for photos for commercial use in 2011, the estimated revenue is \$2,500 per year. Amount of requests and revenue may significantly increase once the collection is accessible online. Archives is currently budgeting \$2,000 per year for PastPerfect and PastPerfect-Online software, licensing, support and webhosting. PastPerfect database and PastPerfect-Online are currently maintained with staff on loan from Construction Division. To cover this staffing need in Fiscal Year 12/13, Archives has budgeted \$20,000 in outside services. One terabyte (1TB) has been allotted for storage of PastPerfect images on the Archives server. The 3,100 images currently in PastPerfect utilize 14GB of storage. It is estimated that 18,000 images will be added by the end of 2013 utilizing only 98GB of storage. At this rate of increase it should take 10 years to use the allotted 1TB of storage with a total storage capacity of 219,000 images. Although revenue from licensing fees is not expected to cover the cost of Archives digitization projects the proposed licensing fees are based upon what is considered fair by industry standards and not aimed at cost recovery efforts for digitization and preservation efforts.

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CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the Order and Ordinance as to form and legality.

TRANSMITTALS:

1. Order
2. Ordinance
3. Resolution No. 12-7268 and Agreement No. 12-3050 adopted by the Board on March 1, 2012

FIS Approval: WSP (initials)

CA Approval: JAC (initials)

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

GK/tf