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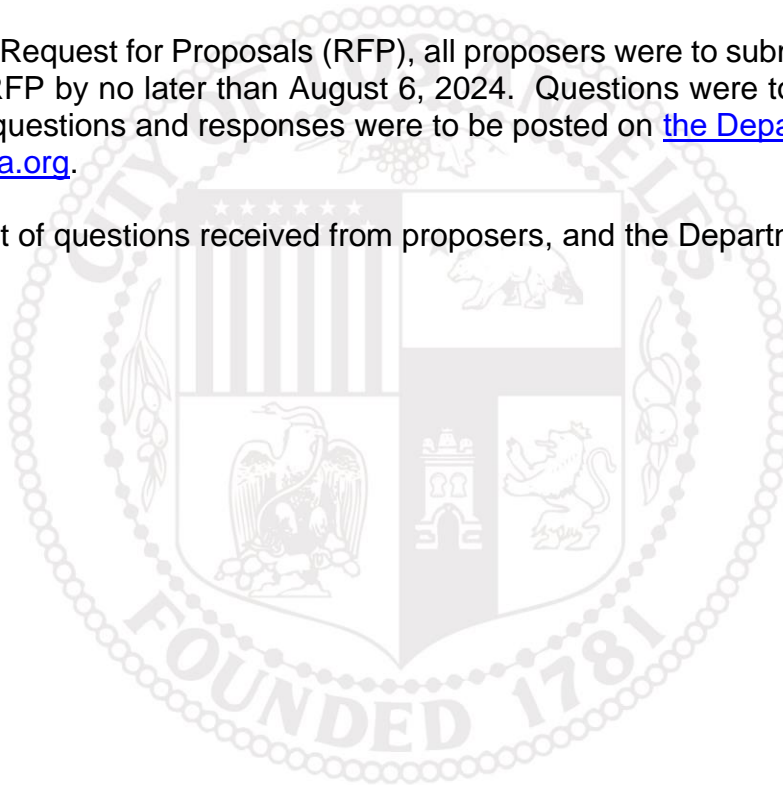
I. Lee Williams
Commissioner

DATE: September 24, 2024

SUBJECT: REQUEST FOR PROPOSALS FOR CRUISE TERMINAL DEVELOPMENT AND OPERATIONS

Pursuant to the Request for Proposals (RFP), all proposers were to submit any questions regarding this RFP by no later than August 6, 2024. Questions were to be submitted in writing, and all questions and responses were to be posted on [the Department's website](#) and www.rampla.org.

Attached is a list of questions received from proposers, and the Department's response.



CRUISE TERMINAL DEVELOPMENT AND OPERATIONS
RFP -- Q&A RESPONSES
SEPTEMBER 23, 2024

NO	RFP SECTION/ EXHIBIT	RFP SECTION/ EXHIBIT NAME	QUESTION	ANSWER
1	3.2	Due Diligence Documents	In the RFP document, Section 3.2 Due Diligence Documents, it is mentioned that historical cruise financial reports and historical parking performance data would be uploaded. However, we have not been able to locate these documents. Could you please provide guidance on their availability?	Please see the documents in RampLA.org that are titled as follows: <ul style="list-style-type: none"> • "Historical_Parking_Performance_Data" and • "Cruise_RFP_Historical_Wharfage_Ship_Calls_and_Passengers".
2	3.2	Due Diligence Documents	The Sea Level Rise (SLR) Report currently available is dated 2018 and indicate that it should be updated every five years to reassess the vulnerability of assets. Is there an updated SLR report available for the year 2023?	Currently, no. The available document is the most recent. The DRAFT updated study is expected to be completed by 12/31/24.
3	3.2	Due Diligence Documents	The Soil and Geotechnical Investigation Reports uploaded date back as far as 1960. Are there any more recent reports available?	Currently, no. The available document is the most recent.
4	General	N/A	Would it be possible to obtain a copy of the attendees list from the site tour on July 31st?	The site tour reservations list is available on RampLA.org.
5	3.2	Due Diligence Documents	Can the City provide the latest digital drawings for the Inner and Outer Harbor terminals, including floor plans, elevations, and sections? The RFP documents include a set of Berth 91 (Inner Harbor) from 1985 and Berth 93 (Inner Harbor) from 2003.	The requested documents, to the extent available, have been added to the data posted on RampLA.org
6	General	N/A	Does the City have requirements or preferences on the RFP response format such as page and font size?	One (1) digital copy of your proposal in .pdf format with supporting financial calculations in .xlsx format. There are no page or font size requirements.
7	3.1	Regulatory Requirements	Does the City have any specific restrictions on uses or type of businesses in the Outer Harbor?	Land use is subject to <u>local zoning</u> , <u>Port Master Plan</u> , and <u>CA State Lands Commission tidelands trust</u> requirements. Entitling of specific uses will require compliance with such regulations. One such example is the fact CA State Lands Commission does not allow residential uses within the tidelands trust areas and this property is subject to that restriction. Additional approvals may be required, depending on the type of uses proposed.
8	2.9	Environmental Assessment (EA)	What area of the outer harbor requires environmental remediation and is not part of the RFP area?	The Harbor Department does not have full site characterization data for the outer harbor. Several work-specific reports indicate the presence of petroleum hydrocarbons, metals, and polyaromatic hydrocarbons, the extent of which has not been delineated. A presumed petroleum coke layer and potential iron ore (extents unknown) have also been identified at the property. There is additional contamination at an adjacent site that is under the process of undergoing characterization and cleanup under regulatory oversight. The existing contamination adjacent to and inside the premises will not be the responsibility of the selected Developer.
9	3.2	Due Diligence Documents	Has traffic flow and circulation for trucks exiting freeway ramp been finalized to accommodate increases in passenger ship traffic?	The Harbor Department is currently working to address and accommodate traffic flow resulting from anticipated increases in passenger ship traffic. The Harbor Department is working with consultants to reconfigure the existing cruise terminal parking. This design will modify access points to the terminal as well as parking layout and traffic flow within the parking lot. Additionally, the SR-47 Interchange reconfiguration project currently underway, in conjunction with the forthcoming new parking lot layout, are anticipated to substantially relieve traffic congestion at 1st St/Harbor and the SR-47 off-ramp (Swinford St/Harbor Blvd).
10	3.2	Due Diligence Documents	What is the percentage breakdown between passengers arriving via private car (parking) versus rideshare and other transfers?	The Harbor Department does not formally measure this statistic. However, the Harbor Department has seen and generally estimates the following averages: 3 Day cruise = 750 parked cars, 4 day cruise = 550 parked cars, 7 day cruise = 400 parked cars, Longer than 7 day cruise = 350 cars

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11	2.3	Existing Operating Agreement	May the transition from the current operator to the new developer occur prior to 2028, irrespective of the construction schedule and completion of the relevant Phase(s)?	This will be negotiated based on anticipated closing of lease negotiations and start of construction with the selected Developer.
12	2.4	Development Scope	Will the City commit to all reasonable cooperation and accommodation of permitting requests/requirements of the developer?	Yes
13	2.4	Development Scope	Is the City amenable to allowing Proposers the flexibility to consolidate the two Phases into one?	Yes
14	2.4	Development Scope	Can the City clarify how the current and future parking assets will be allocated to the venture and whether any priority will be provided to the developer? Would the City be open to a structure that contemplates all parking assets as part of the concession and a revenue share with the City?	The Harbor Department will work with the selected Developer to ensure adequate parking is available, if feasible given site constraints. The Harbor Department's primary objective when allocating public parking assets is to provide adequate parking for the cruise business. Developers should assume the parking operation and revenue will remain with the Harbor Department from all areas outside the proposed leasehold area unless a significant investment and densification of parking is proposed as part of Developer's proposal. Developers may propose a concession and revenue share for any Harbor Department operated parking areas (whether existing or proposed) in which significant capital investments and densification of parking is proposed by Developer.
15	2.4	Development Scope	Can additional parking be considered at the outer harbor site in addition to remote location being proposed by the port?	Developer has discretion to propose increases to the parking capacity in the Outer Harbor in addition to remote locations, which are part of the development site.
16	2.9	Environmental Assessment (EA)	Can the City provide a comprehensive update regarding any current activities not published on the San Pedro Waterfront Project CEQA website related to Supplemental EIR, EIR Addenda and/or Environmental Assessment tasks linked to the 2009 EIR?	Draft Subsequent EIR is in preparation for the West Harbor Modification Project. A copy of the NOPIS is available on the Harbor Department's website at www.portoflosangeles.org/ceqa .
17	2.4.1/2.5	Division of Scope Elements/Alternative Maritime Power	AMP for Outer Harbor berth 45-47 is the responsibility of the proposer, but from what station (and location) is the power delivered that we must connect to?	The Harbor Department is in the process of working with the utility company to construct a new Industrial Station/Network Station. This station will power the Main Substation that will be powering the Berth 50 AMP system. This substation will have built-in future capacity for berth 45-47.
18	2.4.1.3	Additional Scope Elements (Optional)	What is the life expectancy of the baggage handling tent and associated structures located in the Inner Harbor?	The Harbor Department's Sprung Structure utilized Tedlar exterior membrane that has a pro rata warranty/guarantee of 20 years with an aluminum substructure guarantee of 50 years. The structure was installed in 2008. The life span of the membrane will be at least 30 years or greater. Brochures have been added to the documents within RampLA.org
19	2.7	USS Battleship Iowa	Has the City definitively concluded USS Battleship Iowa will not be moved?	The specific location is yet to be finalized, however, it is intended to be located on the site adjacent to the primary street access point.
20	2.10	Lease Negotiations and Approvals	Can the City confirm it will further negotiate a term sheet, the lease for execution, or both, post-award?	Yes
21	3.2	Due Diligence Documents	What is the expected level of LEED Certification for the Outer Harbor Cruise terminals?	Any building over 7500 sf shall be LEED gold certification.
22	3.1	Regulatory Requirements	Is there a building height limitation or any other zoning restriction (i.e. set-backs) on the Outer Harbor site?	The site is zoned [Q] M2-1 and is subject to the limitations outlined in the City of Los Angeles Zoning code. For industrially zoned parcels, the height is typically limited by Floor Area Ratios. The standard Floor Area Ratio is one-and-half times the buildable area of the lot (Section 12.21.1A1). However, the floor area ratio can be increased for sites within Enterprise Zones (Section 12.21.4). There are no front or rear yard setbacks in the M2 zone, but there may be side yard setbacks (Section 12.19C). Please inquire with LADBS or City Planning for confirmation of building pad and height restrictions.

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23	3.1	Regulatory Requirements	Will the final lease provide the tenant with protections against discriminatory changes in law or discriminatory application thereof?	Discrimination is illegal and the City of Los Angeles (and its Harbor Department) has no intention to engage in discriminatory acts. All decisions will continue to be based on fairness, merit, adherence to established policies and procedures, and compliance with all laws.
24	C	Bid Term Sheet	How did the City decide on \$8MM as the annual payment by Proposers via ground rent or passenger fees?	\$8 million represents approximately 50% of current operating income as shown on Exhibit B (specific exclusion of expenses have been applied). Such amount falls within the Waterfront and Commercial Leasing Guidelines of the Harbor Department for establishing minimum rents.
25	C	Bid Term Sheet	Is the City soliciting comments to Exhibit C at this time? If not, will the City do so during the negotiations process post award?	No. All questions regarding RFP and attachments were required to be submitted by the noted deadlines and that time has time has passed. Issues that may arise related to Exhibit C based on the selected Developer's proposal, may be addressed during lease negotiation phase.
26	C	Bid Term Sheet	Are the amounts due to City to remain flat between the compensation resets every five years?	No. Please refer to Exhibit C - Section A.4 for annual adjustments.
27	C	Bid Term Sheet	Can the City describe its anticipated collaboration process with the Developer to establish rates?	The Harbor Department will collaborate through good faith discussions during initial lease negotiation process and future lease administration processes. Also, all rates and fees are established through the Harbor Department and City Council public administrative processes.
28	F	RFP Selection Evaluation Form	What are the measurable criteria attributable to scoring of operational approach? How does the City quantify safety, cruise passenger experience, and operational assumptions?	All factors will be taken into consideration collectively when applying scoring.
29	General		Will the incumbent operator of the Port, Ports America, be allowed to participate in the RFP?	Yes
30	4.5	Proposal Content	In accordance with section 4.5 / subsection 8 Exceptions to Bid Term Sheet and Financial Proposal Form (page 17), Proposers have one opportunity to request exceptions to these documents "prior to the Questions Due Date". However, the second paragraph of Exhibit C - Bid Term Sheet suggests that the Developer may "propose modified terms ... in the submittal to the RFP". Please confirm that Proposers may submit proposed modifications to the Bid Term Sheet in the Proposal responding to the RFP, whether or not exceptions or comments on the Bid Term Sheet were submitted prior.	All questions regarding RFP and attachments were required to be submitted by the noted deadlines and that time has passed.
31	2.9	Environmental Assessment (EA)	Section 2.9 Environmental Assessment (EA) of the RFP contains a reference to Section 4.2.1.1 of the RFP (exceptions to required permit). This section does not exist, please clarify.	Section reference is corrected to be -- 2.4.1.1.
32	General		We have observed that an earlier version of the Request for Proposal (RFP) dated January 31, 2023, was uploaded and subsequently removed from rampla.org on August 2, 2024. We kindly request confirmation that the RFP document dated June 27, 2024, is the final and most recent version of the RFP.	The version available on Rampla.org and the Harbor Department's website is the most recent version.
33	C	Bid Term Sheet	Based on our understanding of the Ground Lease Agreement and the general RFP document, the sixty- six (66) year term will commence upon the execution of the Ground Lease Agreement. Could you kindly confirm that the takeover of operations at the Port would also happen simultaneously and that the Proposer will have the exclusive right to invoice and collect from the users of the Port (mainly the cruise lines) the Passenger Fees, Infrastructure Fee and other revenue sources related to cruise and non-cruise business from the start of the Ground Lease Agreement (subject to a revenue share Proposers may include in the Financial Proposal Form)?	The transfer of operations and right to invoice and collect fees from users of the Harbor Department's property by the selected Developer will be negotiated to comply with the final lease and financial structure of the transaction.

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34	3.2	Due Diligence Documents	<ul style="list-style-type: none"> • Could you please make available the detailed financial and operational information related to the Port, as held by the Port of Los Angeles and/or the Port operator, Ports America, as a key element for the formulation of the Financial Proposal? • Could you please also include the technical condition of port's infrastructure, maintenance program (any repair needs, etc.), recent surveys, and any recent damage or incidents, along with the requested information. 	Ports America's agreement, audit, Harbor Department's response to audit, a bi-annual Excel spreadsheet, which was provided by Port's America are all posted within RampLA.org . Additionally, the Harbor Department is in the process of renegotiating the operating agreement based on the outcome of the Audit and all related documents. The RampLA.org site contains all infrastructure reports to the extent available.
35	D	Financial Proposal Form	<ul style="list-style-type: none"> • Please confirm that Passenger Fees (inclusive of wharfage, dockage and store charges) are the sole primary cruise related revenue source that the Proposer could generate from cruise lines (excluding Infrastructure Fee). • Will the Proposer be allowed to render, charge, and collect fees for security, luggage handling, stevedoring, towing, and mooring services as part of their operational activities? • What other additional services may the Proposer render, charge and collect fees for? 	Exhibit D contains both prescribed fees (such as the passenger fees) and elective fees that are not prescribed and may be proposed by Developer. Proposed elective fees may be included in Exhibit D including revenue share with the Harbor Department, if any.
36	B	Estimate Calendar Year 2023 Cruise-Related Operating Income	Please provide further details and breakdown for the Miscellaneous Cruise Facility Revenue (Exhibit B).	Miscellaneous Cruise Facility Revenues includes facility rentals revenue as well as trash and sweeper reimbursement charges, and other miscellaneous charges. Facility Rentals Revenues: \$ 87,000 Other Misc. Revenues: \$789,000
37	B	Estimate Calendar Year 2023 Cruise-Related Operating Income	<ul style="list-style-type: none"> • Is the Estimated Incentive Expense of US\$2,706,000, as outlined in Exhibit B - Estimated Calendar Year 2023 Cruise Related Operating Income in the RFP document, associated with the Cruise Vessel Incentive Program specified in Item No. 2335 of the Port of Los Angeles Tariff No. 4? <ul style="list-style-type: none"> – If yes, could you clarify whether the cost of this incentive program is the responsibility of the Proposer or the Harbor Department/City of Los Angeles? – If the responsibility lies with the Proposer, is there an obligation on the Proposer to continue this program? 	Incentive payouts are the financial responsibility of the Harbor Department. The continuance of any future incentive payouts through the Tariff will be determined based on the outcome of this RFP and subsequent negotiation of a lease agreement. Any future revision of the Tariff will be at the discretion of the Board of Harbor Commissioners.
38	D	Financial Proposal Form	<ul style="list-style-type: none"> • In Item No. 605 of the Port of Los Angeles Tariff No. 4, it is stated that each passenger embarking from or disembarking at a municipal wharf will be charged US\$0.30 to cover the AMP system cost. <ul style="list-style-type: none"> – Could you please clarify who would collect this charge? – Could you please also specify if it is possible to introduce a hook-up charge related to the provided AMP service in addition to the US\$0.30 or does the charge already include hook- up services? – Who would be collecting the AMP service charges at the Outer Harbor Berths? 	Currently, AMP connection and disconnection is handled by Harbor Department staff and the cost is invoiced directly to the cruise line using the AMP by the operator with those fees then being returned to the Harbor Department. Separately the cruise line is charged for the electricity used when at berth and plugged in by the operator and those fees are returned to the Harbor Department as reimbursement for the electricity use which the Harbor Department pays for directly to the utility provider. The \$0.30 AMP fee per passenger is collected to reimburse the Harbor Department for the cost from the utility to keep the electrical service active when cruise ships are not at berth. Developer may propose respective per passenger or per ship fees to offset AMP related costs, including any of the costs mentioned above as the Developer will be in the position the Harbor Department currently is in regarding electricity service and connection and disconnection of AMP at inner and outer harbor terminals after completion of lease negotiations.
39	D	Financial Proposal Form	In Item No. 1200 of the Port of Los Angeles Tariff No. 4, it is stated that when delivered to vessels at wharves and for services supplied in connection therewith through facilities of the Harbor Department, a service charge of fifteen percent (15%) of the cost of such water or electricity will be added for the use of such facilities, including wharfage. Upon the execution of the Ground Lease Agreement, would the Proposer have the right to collect the mentioned 15% service charge from the provided freshwater and electricity services?	The provision you noted is in the Tariff; however, it may be subject to change depending upon the outcome of the RFP process. Tariff amendments may be applied at the discretion of the Board of Harbor Commissioners.

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40	General/2.9/3.2	Environmental Assessment (EA)/Due Diligence Documents	During the Site Tour, we were told that both terminal buildings at the Inner Harbor are over 40 years old. Are there any historical building designations or regulations in place to protect these buildings from any technical upgrade/intervention (such as installation of AC systems into the terminal building which does not have any AC system)? If asbestos or other issues are encountered in upgrade/demolition, who is responsible for abatement and remediation?	<p>The inner harbor cruise terminal is not eligible for historic designation per a 2019 reevaluation. As such, there are no historic limitations for proposed modification.</p> <p>Available Lead and Asbestos reports can be provided for the buildings following the RFP process to inform the lease negotiation process. Typically, the existing contamination and hazardous materials would not be the responsibility of the Developer; however, based on the scope of the development proposed, this item will be negotiated through the lease.</p>
41	2.6	Parking	In Section 2.6 of the RFP document, it is noted that currently the parking area is operated by Parking Concepts Inc. (PCI) through a management agreement that includes a percentage split of gross revenue. Further, PCI manages an adjacent 600 space parking area. Both parking areas are jointly used by cruise line customers and Catalina Express customers and each customer base absorbs excess parking in the neighboring lots during respective peak seasons. Could you specify the percentage split of gross revenue between the Harbor Department and Parking Concepts Inc. (PCI) as outlined in the current management agreement?	<p>Per Section VIII of Agreement 17-3505: PCI shall remit the following percentages of gross receipts derived from the Parking Facilities in the form of parking fees, net of the parking occupancy tax and possessory interest tax:</p> <ul style="list-style-type: none"> -Eighty-One Percent (81 %) of Gross Receipts from \$0 to \$5,000,000 -Eighty-Two Percent (82%) of Gross Receipts over \$5,000,000 -Eighty-Three Percent (83%) of Gross Receipts over \$6,000,000
42	2.2	Site Description	In Table 2.2.1 of Section 2.2 Site Description, the parking area for the Outer Harbor is listed as 20 acres, while in Section 2.6, the same parking area is listed as 17 acres. Could you please clarify the discrepancy regarding the number of acres allocated for parking space in the Outer Harbor?	Please consider the Outer Harbor parking area referenced at the NE corner of Miner and 22nd street as: approximately 17 acres
43	2.6	Parking	We understand the existing and planned parking operations will be the responsibility of the Harbor Department. Does the Harbor Department have current plans to provide transportation between the parking at 22nd Street/Miner Street and the cruise terminals (Inner and/or Outer)?	The scope of shuttle services and delivery method will be subject to the successful Developers' specific plan and its proposed operational model for utilizing this parking lot for cruise operations.
44	H	Indemnity and Insurance Requirements	<ul style="list-style-type: none"> • Please confirm whether the Proposer will have the right to amend the insurance provisions outlined in the RFP document. <ul style="list-style-type: none"> – If the Proposer is not responsible for the towing, pushing, or mooring operations at the Port, would they still be required to maintain the Hull and Machinery coverage insurance specified under Section 110.2.1 Commercial General Liability in the Ground Lease Agreement? – Will the Harbor Department permit the Developer to assign the designated construction contractor to provide the All Risk insurances required for the berth extensions and terminal construction, with the Developer and Harbor Department being named as additional insureds? 	Developers will not have the right to amend the insurance requirements; however, once a developer is selected and there is a clear scope of work, insurance requirements may be reassessed and adjusted for applicability to the proposed scope.
45	3.2	Due Diligence Documents	The Sea Level Rise (SLR) Report currently available is dated 2018 and indicate that it should be updated every five years to reassess the vulnerability of assets. Is there an updated SLR report available for the year 2023?	Duplicate. Please see Question No. 2.
46	3.2	Due Diligence Documents	The Soil and Geotechnical Investigation Reports uploaded date back as far as 1960. Are there any more recent reports available?	Duplicate. Please see Question No. 3.
47	2.5	Alternative Maritime Power	<ul style="list-style-type: none"> • In Section 2.5 of the RFP document, it is mentioned that the Los Angeles Department of Water and Power (LADWP) is undertaking a project to provide AMP infrastructure at Berths 45-47, currently in the design phase and expected to complete construction by the end of 2032. It is also stated that the Proposer will be financially responsible for the AMP installation by LADWP. <ul style="list-style-type: none"> – Could you please provide the details of the scope of work or required (estimated) budget that is expected from the Proposer? 	Power will be delivered to the property line by the Harbor Department. It will be the selected Developer's responsibility to coordinate with the LADWP and distribute power to remainder of site and its facilities.

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48	3.2	Due Diligence Documents	<ul style="list-style-type: none"> • We could not find any recent technical surveys or status reports of the existing operational berths (piers) in the data room. <ul style="list-style-type: none"> – Would you provide these reports? – If not, would you allow the Proposers to conduct their own surveys at their own expense? – If yes, how soon would the Proposers be allowed to conduct such, since the findings of such surveys could have financial and operational implications on the Proposer's bid. – If not, are bidders expected to submit a proposal contingent upon further investigations following the bid award? 	<p>No technical reports are available at this time for existing operational berths (piers).</p> <p>The successful Developer may conduct inspection after selection is completed.</p> <p>Yes, Developers may identify contingencies within its proposal.</p>
49	2.2	Site Description	<p>Could you please confirm the cargo and cruise vessels RFP subject berths were designed to accommodate (e.g., live and static loads)?</p>	<p>Live, static and other operational load capacities of the wharfs will be provided to the selected developer when commencing detailed design. To the extent such capacities are a critical consideration for Developer's initial proposal, Developer may identify contingencies/presumptions within its proposal related to this subject matter.</p>
50	3.2	Due Diligence Documents	<p>Could you please provide additional information regarding the cause of the failure at the west end of Pier 49-51, along with any supporting reports related to this issue?</p>	<p>The failure on the southside (presuming question inadvertently indicated "west") of the wharf was caused by an overload of iron ore in the backland. See LAHD Drawings Set 1-1191 (which has been added to RampLA.org) for additional information regarding the south end condition of Berths 49-50.</p>
51	2.5	Alternative Maritime Power	<ul style="list-style-type: none"> • In Section 2.5 of the RFP document, The Harbor Department is currently planning on financing improvements regarding fender/bollard and installing AMP Infrastructure that provides 12MVA of power for Berths 49-51 at the Outer Harbor Cruise Terminal. This service will likely be installed prior to other development activities to accommodate vessel call demand that may occur prior to further development of the site. <ul style="list-style-type: none"> – Do you have a clear indication of when would the AMP ready for this berth? – During the Site Tour, we were told that Inner Harbor Berths each had 18MVA (output capacity) of power available. Considering that the RFP requires the Proposer to extend Berth 50 to allow a total pier length of 1,400 feet (which would be equal to Berth 90-92 of Inner Berth), why would AMP capacity at the Outer Harbor be less compared to the comparable, existing berth at the Inner Harbor? The cruise vessels are getting larger every day and by the time the Proposer takes over the operations at the Port, the power demand from a large cruise vessel could be higher than 12MVA. – Would you be sharing the designs of the AMP installation to Berth 50 of the Outer Berth so that the Proposer could consider any implications to the construction designs of the Berth extension at the Outer Harbor?. – Could the Harbor Department provide additional information regarding the anticipated other improvements relating to fender/bollard, such as drawings, design documents, and other relevant materials? – Additionally, please specify the vessel classes and design criteria for which these upgrades are being planned. 	<p>The AMP for Berths 49-51 is anticipated to be completed by 2027.</p> <p>The 12MVA is a temp service until additional power can be provided by the utility company. The plan is to have the utility company bring 40MVA to the site to support Berth 49-51, 45-47 and the cruise terminals.</p> <p>Final plans have not been completed. The Harbor Department anticipates final plans to be done early 2025.</p> <p>The Harbor Department will issue Berths 49-51 Wharf improvement plans showing undated fender/bollard design when the drawings go out for bid in 2025.</p> <p>The Harbor Department will issue Berths 49-51 Wharf improvement plans showing upgrades to accommodate assigned vessel classes when the drawings go out for bid in 2025.</p>

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52	3.2	Due Diligence Documents	<ul style="list-style-type: none"> • Are there any available records for bathymetric survey data of the existing berths to assess whether berth deepening will be necessary? It is understood that the Harbor Department is responsible for dredging operations. <ul style="list-style-type: none"> – However, could you clarify the responsibility for any potential improvements to the wharf or rock dike slope that may be required to accommodate berth deepening (e.g., cutoff wall or rock slope enhancements)? Specifically, will these costs be borne by the Harbor Department or the Developer? 	<p>The most recent bathymetric survey has been added to the RampLA.org site.</p> <p>The Harbor Department will verify existing depths and maintain existing design depths to accommodate cruise ship sizes proposed. There is not expected to be any required modifications to the rock slope or engineered dredge depth for the respective wharves to accommodate expected cruise ship class sizes as these wharves were designed to accommodate cargo ships with deeper depth profiles than modern cruise ship classes expected at these berths.</p>
53	2.4	Development Scope	<ul style="list-style-type: none"> • Will seismic upgrades be required for the existing wharfs due to the change in occupancy type at Outer Harbor Berths 45-47 and 49-51? <ul style="list-style-type: none"> – If so, who will be responsible for performing these seismic upgrades—the Harbor Department or the Developer? – Additionally, will the Harbor Department be responsible for all improvements to existing wharfs, while the Developer is responsible for any new wharf construction or extensions? Please provide details on the anticipated division of responsibility for wharf improvements. 	<p>Currently there are no seismic upgraded for affected wharves. The existing wharves have seismic capability but will have to be evaluated depending on the proposed use, added structures, operational requirements and other new load demands.</p>
54	2.2	Site Description	<p>What type of development uses are the Outer and Inner Harbor properties currently zoned for? There has been expressed interest from the Harbor Department in expanding the types of development, such as the inclusion of a conference center. Is this type of use feasible under the existing zoning and long-range land use planning, or would rezoning be required?</p>	<p>The site is zone [Q] M2-1, which is qualified light industrial. The [Q] condition relates to City of Los Angeles Ordinance No. 165406 and outlines approved uses in this area, including but not limited to community buildings, business and professional offices, restaurants, retail and service uses tourist attractions and exhibits and incidental specialty commercial uses, and conditional uses enumerated in Section 12.24 of the Municipal Code.</p> <p>The site has additional use restrictions identified in by the Port Master Plan. The Port Master Plan identifies Cruise Operations, Open Space, and Visitor-Serving Commercial land-use designations for this area. A Port Master Plan Amendment would need to be approved by the Board of Harbor Commissioners and certified by the California Coastal Commission would be required to adjust allowed land uses needed for a Coastal Development Permit.</p>
55	A	Harbor Department Ground Lease Standard Terms	<ul style="list-style-type: none"> • Appendix A provided in the RFP specifies a proposed berth length of 1,400 feet. However, during the Site Tour, it was observed that the adjacent berth, currently used as the home port for the USS Lane Victory, appears to be situated further north than indicated in Appendix A. The RFP currently requires an increase in berth length of 650 feet, but this requirement might be reduced if the berth can be extended further north. <ul style="list-style-type: none"> – Can the Harbor Department please confirm the extents of the existing berth to accurately determine the required length of the berth extension? 	<p>Appendix A has been updated, in Amendment #4, to depict a potential area consisting of approximately 500 linear feet that may be available to shift the potential cruise ship berth to the North.</p> <p>As noted on the updated Appendix; the Developer's final proposed configuration of this cruise ship berths will be subject to additional consultation among the selected Developer and require ultimate approval of the Harbor Department, Port Pilots and US Coast Guard.</p>

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56	2.9	Environmental Assessment (EA)	<ul style="list-style-type: none"> • As part of the environmental review and CEQA process, it is understood that an updated EIR/EIS may be required if there are changes from the previously approved 2009 EIR. <ul style="list-style-type: none"> – Should additional impacts be identified beyond those covered by the existing EIR, will an amendment to the current EIR be sought, or will a standalone EIR be prepared? – If an amendment is necessary, will the Harbor Department take the lead in coordinating this process? 	<p>As done with other revisions to the 2009 EIR, the nature of the document depends on an initial analysis of impacts compared to the previous analysis.</p> <p>The changes in the West Harbor Project resulted in the preparation of a Subsequent EIR; however, it remains to be seen whether a similar level of analysis would be required for the project selected through the RFP process.</p> <p>The Harbor Department will be the lead agency for the CEQA analysis. The Harbor Department has its own CEQA consultants that can prepare the document or provide third-party review of an applicant prepared document.</p>
57	3.2	Due Diligence Documents	Based on the LA Waterfront Design Guidelines, please confirm if all project elements will be required to be designed to a minimum standard of LEED NC Gold.	Any building over 7500 sf shall be LEED gold certification
58	General	CPD Letter	The 'Schedule of Events' mentions responses are posted by September 10, while the paragraph below it is stated responses are listed at www.rampla.org on September 30, 2024.	The Responses post date was extended to 9/24/24.
59	2.1	Project Objectives	The project objective calls for the operator to attract new cruise lines. Does the Port not take an active role in this aspect?	Attracting new cruise lines and new cruise business is the primary responsibility of the successful Developer. The Harbor Department will collaborate with the selected Developer to support Developer's effort to identify and attract new cruise line business; similar to the Harbor
60	D	Financial Proposal Form	At what point in time will the Port halt securing berth bookings for outer harbor, not to interrupt any development of the facility.	This will be negotiated based on anticipated start of construction with the selected Developer.
61	2.4	Development Scope	Will the Port, developing the AMP infrastructure at berths 49-51, also make accommodations to trench in duct banks from the substation for the berth 45-47 berth, to only one disrupt city infrastructure between the two locations.	Stub out from the Main Substation will have provisions for berths 45-47. Conduit is not currently planned to be constructed to the berths 45-47 location. Harbor Department's willingness to make the requested accommodations are proposal dependent.
62	2.4	Development Scope	Does the Harbor Department intend to maintain the depth at its cost for the duration of the lease.	Harbor Department will maintain Berth depth for the duration of the lease.
63	2.4	Development Scope	Phase II, requires an accommodation of vessels with a LOA of minimally 1,200 ft, while on page 4 is stated the facility can be extended up to that same length. Considering mooring requirements, can dolphins be utilized beyond the listed length of the wharf structures to accommodate bow and stern lines.	<p>PH II LENGTH = 1200 MINIMUM.</p> <p>Wharf improvement is designed to accommodate larger future class ships and is subject to the Developer's scope and design specifications.</p>
64	2.4.1.2	Division of Scope Elements	Page 6, Par 2.4.1.2 does not specify a requirement for a total of 4 mega berths. It reads as though the scope is now to end up with 3 mega berths and leave berth 93 as-is.	With the Iowa remaining in its current location, the second mega berth on the main channel is not currently under consideration. B93 development is up to the Developer.
65	2.6/2.8	Parking/Terminal Operations and Additional Uses	Parking arrangements for events/conferences? What are the Port's expectations as to minimal accommodations.	We expect all events to utilize the parking that is available.
66	2.5	Alternative Maritime Power	The Inner Harbor AMP facilities have a combined capacity of 18 MVA, does that mean that the Channel Berth can deliver 12 MVA, with 6 MVA remaining for berth 93. Can the current Inner Harbor AMP facilities allow for an upgrade to 2 x 12 MVA, in line with the facilities planned for outer harbor.	Each berth for the inner harbor cruise terminal currently supports 18MVA. The outer harbor final phase will have the similar AMP capabilities.
67	2.5	Alternative Maritime Power	AMP financial responsibility for phase 2 with proposer. LADWP expected to complete construction by 2032. Is the capital work performed by LADWP calculated out in the energy cost rate or is this a lumpsum cost for the proposer. What is the extend of LADWP's work; bringing power up to the demised property line?	Power will be made available at the property line via Harbor Department/LADWP work at the Harbor Department/LADWP capital expense. Developer will be responsible for capital costs to distribute within the premises.
68	2.5	Alternative Maritime Power	What is the considered completion date of the AMP installation at berth 49-51, considering the proposer could take position as of the date the Ground Lease is executed however well ahead of any actual construction, allowing for vessel operations to be conducted in the meantime.	AMP installation at Berths 49-51 is anticipated to be completed in 2027.

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69	General		Can the operator obtain any TEIs as a none-government entity.	Question is unclear as acronym is not commonly understood. Unable to address.
70	2.5	Alternative Maritime Power	Is the proposer allowed and/or can the proposer obtain dispensation from CARB, to operate from berth 49-51, prior to AMP being available, in line with the Ports dispensation accommodations.	After execution of the lease, the Developer will need to comply with all rules and regulations. At that point, activity of the inner and outer cruise terminals would be seen as a combined terminal under CARB's At-Berth Rule and the outer harbor cruise terminal would no longer be considered a low-activity terminal. Therefore, a CARB-approved emission control method would need to be used by the Developer upon operation.
71	2.5	Alternative Maritime Power	Does the Port anticipate that the build out of the AMP installation at berth 49-51 will result in an adjustment of the Tariff and if yes, can the Port indicate the anticipated amount?	The Board of Harbor Commissioners can adjust the Tariff at any time. There are no plans to adjust the Tariff beyond what is currently approved for this AMP item. All rates would be subject to general rate increases unless exempted.
72	2.9	Environmental Assessment (EA)	Does the EIR, as part of the EA conducted back in 2009, have an expiration date and if so, what is the date.	An environmental analysis does not have an expiration date, but proposed project revisions must be reviewed for relevancy to conditions.
73	2.9	Environmental Assessment (EA)	Can the Port indicate the cost share amount proposers have to entertain for the work the Port performed, and cost incurred, for any EIR/EA and filings, dating back as far as 2009.	Please refer to Answer 56 above for Developer's option to prepare its own Environmental related documents. The standard reimbursement agreement requires the applicant to reimburse the Harbor Department for 100% of all staff, consultant(s), and outside counsel costs for the preparation, review, and legal defense (if necessary) for the environmental document. This would also include any fees associated with document circulation and filing.
74	2.9	Environmental Assessment (EA)	What are considered "all related costs". Does that include G&A normally incurred under POLA?	Please refer to Answer 56 above for Developer's option to prepare its own Environmental related documents. The standard reimbursement agreement requires the applicant to reimburse the Harbor Department for 100% of all staff, consultant(s), and outside counsel costs for the preparation, review, and legal defense (if necessary) for the environmental document. This would also include any fees associated with document circulation and filing.
75	2.9	Environmental Assessment (EA)	Is the noted Park of 6 acres in the EIR an integrate requirement for the development.	As referenced in Section 2.4.2, Project Design Considerations, of the RFP; site limitations may limit the amount of open space available for park and open space use. It is anticipated that the proposed development may not fully align with the current Port Master Plan land use designation of open space. As such the selected project may require a Port Master Plan Amendment depending on the proposed scope. Any changes to the Proposed Project identified in the 2009 EIR, including the 6-acre park space, would have to undergo additional environmental review.

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76	C	Bid Term Sheet	<p>In Section A subsection 5, it is stated that developers are required to provide sufficient justification for the Infrastructure Fee, which should include the information listed below.</p> <ul style="list-style-type: none"> • The itemized development costs. • The infrastructure fee will be paid for by the public. <p>Could you please provide answers to the following questions regarding the justification items listed for the introduction of the Infrastructure Fee?</p> <p>Could you please clarify which costs can be classified as development costs? Specifically, will the CAPEX investment related to berths and terminal buildings be considered as development costs? We understand that the term development costs shall include all elements of the design, construction, financing and other soft costs – please confirm.</p> <p>Could you please clarify the term 'public'? Does this definition solely refer to cruise passengers, or are there other parties that would also be included in this definition? Is it up to the Proposer to define in the Proposal how and to who the Infrastructure Fee is proposed to be charged?</p>	Yes, development costs include all elements of the design, construction, financing and other soft costs.
77	C	Bid Term Sheet	<p>Based on our interpretation of the Compensation Resets calculation mechanism provided in Section A subsection 6, it appears that the new compensation amount could potentially decrease in nominal terms from the minimum US\$8 million set in the Ground Lease Agreement. Could you please verify if our understanding is correct?</p> <p>Illustrative calculation for Compensation Reset of Bid Structure B (Minimum Base Ground Rent)</p> <p>Developers are to assume the Minimum Base Ground Rent will be reset to reflect seventy five percent (75.0%) of the (initial Minimum Base Ground Rent x (aggregate percentage passenger growth+ 100%) over the preceding five (5) years. = 75% x 8,000,000* x (30% ("aggregate percentage passenger growth") + 100%) = 75% x 8,000,000 x 130% = 7,800,000 (*) US CPI increases are excluded for simplicity</p>	Initial ground rent cannot decrease.
78	C	Bid Term Sheet	<p>In Section A Bullet subsection 7 Escalation of Passenger Fees, it is stated that the "Developer acknowledges and agrees Harbor Department sets passenger tariffs, subject to approval from the Board of Harbor Commissioners and Los Angeles City Council."</p> <ul style="list-style-type: none"> • We understand and acknowledge fully the rights by the aforementioned bodies regarding Passenger Fees. Please confirm our understanding that the details of the escalation mechanism outlined in the subsequent part of this subsection are to be taken into consideration by the Proposer (in essence inflation increases only) and that no other tariffs (in particular lower tariffs) can be established. The Proposer's financial proposal will rely on stable and inflation- adjusted tariffs, any risk of a detrimental change in tariffs by regulatory bodies will negatively impact the ability to raise financing and hence the competitiveness of the Proposal. 	Historically, Tariff rates have increased and not decreased. The Board of Harbor Commissioners amends the Tariff as needed based on market conditions. Historically the Harbor Department has established passenger rates 3 to 5 years in advance to allow for appropriate planning.
79	C	Bid Term Sheet	In Section D - Other Financial Requirements, it is stated that the Developer shall be required to establish and maintain reasonable and customary reserves in a Replacement Reserve Fund. Could you please clarify whether it is in the Developer's discretion to allocate the Reserve Fund to replacement CAPEX and other major maintenance?	Yes
80	C	Bid Term Sheet	With respect to footnote 10 in Exhibit C of the RFP: Port Police costs of \$2,047,000 have been excluded from the analysis. Please confirm that the Proposer is not responsible for these costs and these costs and related services will be provided by relevant authorities.	The Harbor Department is financially responsible for Port Police service costs.

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81	General		<p>Allocation of Risk - We are concerned with the overall allocation of development risk and suggests that the overall project structure be re-envisioned. In our judgement the Port has allocated substantially all of the development risk to the Developer in a manner that is unlikely to allow for a successful outcome for the Port, the cruising market, or other interested parties. This judgement is based on:</p> <ul style="list-style-type: none"> •The allocation of project scope: A more feasible project would reflect the development structure more commonly used for maritime projects at Port Authorities in California and elsewhere, whereby the Port Authority is responsible for the waterside and landside infrastructure works and the Developer is responsible for the superstructure. We therefore recommend the Port reconsider the division of scope by undertaking the "...planning, construction and financing of the landside and wharf expansion improvements, shore power, utilities, circulation improvements, etc." to deliver a suitable ground infrastructure upon which the Developer could then develop and finance the passenger terminal(s). •The timing of minimum annual rent: by timing the start of lease payments to the Port Authority to the execution of the lease rather than the end of construction/start of operations, the Developer is subjected to a lengthy period of lease expense outlays without offsetting revenue-generating operations. •The exclusion of parking revenue from the Developer: By retaining proceeds from parking revenue, the Port is cutting off a valuable source of earnings that should normally contribute to the overall return that a Developer would need in order to recoup its investment in the project. •The indicative project timeline is challenging for a private developer and better accommodated by an entity such as the Port Authority: Under the Port's own timeline estimates, the end of construction and start of operations at the Outer Harbor is likely to occur around 2034, which is a full 10-years from now. A 10-year project development timeline before the start of full operations at the Outer Harbor, where the development risk is borne by the private entity and not the Port Authority, is unusual, onerous, and unreasonably burdensome. 	Thank you for your comment. No question was noted to respond to.
82	General/A	Harbor Department Ground Lease Standard Terms	Limited Process of the RFP - By allowing only one single opportunity to submit questions and feedback on any or all aspects of the RFP, including Exhibit A "Harbor Department Ground Lease Standard Terms and Conditions", the Port has not provided sufficient time or opportunity to engage in a meaningful dialogue about the many challenges with the project as currently structured and conceived	Thank you for your comment. No question was noted to respond to.
83	D	Financial Proposal Form	Lease Term - We believe that an extension of the lease term should be granted for delays caused by third parties, as (i) these delays are not the responsibility of the Developer, and (ii) extending the term is crucial to ensure the financial viability and economic balance of the Project at all times. For the same reason, Force Majeure events that impact the construction timeline or the Developer's ability to operate all or part of the Project Site should allow the Developer to (i) request an extension of the term and (ii) a suspension or proportional reduction of the Developer's payment obligations.	Thank you for your comment. No question was noted to respond to.
84	C	Bid Term Sheet	Rent Commencement Date - A) According to the provided indicative timeline, the Developer will start generating revenue from the Outer Harbour only in the sixth year after the ground lease execution. Therefore, rent payment for the Outer Harbour should commence only from the sixth year, with the possibility of further postponement due to third-party delays or Force Majeure events. B) The contract should also allow for rent abatement on the Inner Harbour if and as long as the Developer carries out improvements in that area.	Thank you for your comment. No question was noted to respond to.
85	C	Bid Term Sheet	During the first five years, minimum rent should be correlated to the proportionate availability of the facilities for the purposes of conducting vessel operations.	Thank you for your comment. No question was noted to respond to.

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86	C	Bid Term Sheet	<p>Increase of Passenger Fees - The original clause states, "The Passenger Fees are proposed to be increased every five (5) years in one (1) year annual adjustments for the following five (5) years based on the simple average over the preceding five (5) years in CPI for All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange County, California area as of each anniversary of the Rent Commencement Date." We propose that passenger fees be increased based on the aggregate inflation rate over the five years. The minimum annual passenger guarantee and the minimum base ground rent are increased annually based on the CPI, with a cap applicable.</p> <p>The Bundled Passenger Rate is a built-up rate which includes Dockage and Wharfage Fees. Are these Fees going to be maintained by the Port (per Tariff) separate from the Passenger Fee, an additional Passenger Fee, and the Infrastructure Fee considered per this RFP.</p> <p>It appears that the 5th year anniversary adjustment for Bid Structure A is based upon the 75% of the average passenger movement recorded for the past three years, while such calculation of Bid Structure B is based upon the aggregate passenger movement growth over the past 5 years. In either case there will not be time to grow</p>	<p>Only Passenger Fees and Infrastructure Fees are referenced in the RFP as items that will be managed by the Tariff and collected through passenger movements.</p> <p>The "Passenger Fee" and "Bundled Passenger Rate" are the same fee. There are not two separate fees as this question appears to contemplate.</p>
87	D	Financial Proposal Form	<p>What is the basis for the Harbor Department's target rate of return of 12% for their portion of the Infrastructure Fee?</p>	<p>The target rate of return (RoR) of 12% is based on the Harbor Department's financial management policies of 10% RoR target on land and 12% RoR target on improvements.</p>
88	C	Bid Term Sheet	<p>Issuance of Building Permits: What contingency or extension is the Port of Los Angeles contemplating to provide in the event of delay in approvals for permitting by the City or Port of Los Angeles?</p>	<p>The lease term being proposed, should consider any potential delays in permitting and/or other processes.</p> <p>Following selection of the successful Developer through this RFP, the Harbor Department will further negotiate with the selected Developer to address any specific issue related to the specific proposed development to create mutual benefit to both parties.</p>
89	C	Bid Term Sheet	<p>Financial aspects - The deal structure and the ground lease agreement must be negotiable and amendable to meet the requirements of bank financiers, ensuring the project's bankability. Any obligation undertaken with the Harbor Department must be subject to adequate financing. The Infrastructure Fee must also cover all financing costs (such as interest payments, loan fees, and other related expenses); this needs to be clarified in the term sheet. Amendments to the ground lease agreement may be necessary to optimize the Developer's tax provisions.</p>	<p>Financing costs may be included in the infrastructure fee. It is the Harbor Department's intention to negotiate a lease that is financeable.</p>