



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

DATE: MAY 2, 2013

FROM: PUBLIC 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., 1072 Via Cordova, San Pedro, CA 90732, to act as promoter and organizer of the Annual Port of Los Angeles Lobster Festival held in Mid-September of each year. The agreement begins with the 2013 event and includes an option for the Harbor Department to extend for one additional year with a commitment of \$35,000 per year, which provides the Port of Los Angeles with title sponsorship, for a total of \$70,000 over two years.

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 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 Board-approved Sponsorship/Hosting Policy;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the agreement with International Lobster Festivals, Inc. for a one year plus one additional year option at a not-to-exceed amount of \$70,000 for the term of the agreement; and

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5. Adopt Resolution No. _____

DISCUSSION:

Background and Context -The annual three-day Port of Los Angeles Lobster Festival (Lobster Festival) is held in Ports O'Call Village on the third weekend of September of each year 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. Attendance in 2012 for the three-day festival was approximately 41,900, with 29,600 lobster dinners served; these numbers were lower than past years due to inclement weather the weekend of the event. In 2009, the Festival set a Guinness world record world record for serving the most seafood prepared in an eight-hour period at an outdoor event (12,527 pounds of lobster).

Sponsorship of the Lobster Festival is consistent with the criteria for sponsorship funding, and it is the desire of Harbor Department management to continue to support this event through an agreement with a third party event organizer and promoter. The Harbor Department's Sponsorship/Hosting Policy provides criteria by which the Harbor Department supports events and programs which increase general public awareness of the Port of Los Angeles and attract local and area residents to the waterfront. The Port is the title sponsor of this event. The organizer is responsible for acquiring other sponsors for the event in addition to all planning, staging and promotional activities.

Commitment of sponsorship for more than one year requires the approval of the Board of Harbor Commissioners. To help secure optimal participation by vendors, entertainers and sponsors, as well as repeat attendance, an organizer should start publicizing the following year's Lobster Festival dates immediately upon the conclusion of a successful event, and the promotion should continue year-round. For that reason, a one year agreement with one additional option year, rather than a single-year commitment, is recommended.

International Lobster Festivals, Inc. has partnered with San Pedro Fish Markets to produce the event's signature Maine lobster meals. The lobster must be cooked at an estimated rate of 2,000 lobsters per hour in order to efficiently provide dinners for the attendees.

International Lobster Festivals, Inc. has been the organizer for the Port of Los

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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 and brought the event to the Harbor Department's attention.

Historically, the event has been held at the south end of Ports O'Call Village, but it will be moved to another suitable Port of Los Angeles venue if waterfront construction in the next two years conflicts with the traditional event site. 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 obtaining all required licenses and permits, and shall complete all necessary planning and logistical requirements including, but not limited to, insurance, all equipment, signage, licenses, permits, security, public transportation, trash clean-up, and site maintenance. As the title sponsor, the Port will be prominently featured on all advertising, signage and other promotional materials. The Harbor Department holds the copyright for the event name and logo. However, International Lobster Festivals, Inc., bears all risk for the potential financial profit or loss from the event. The proposed \$35,000 title sponsorship is a continuation of a reduction in the annual sponsorship level from \$50,000 that was imposed on the last three year agreement and is in line with Harbor Department cost-cutting measures. In addition, historically the City Council granted fee waivers to the Annual Lobster Festival for services provided by the Transportation, Fire, Building and Safety, and Street Services Departments. This practice was discontinued in 2009, and International Lobster Festivals Inc. has been expected to reimburse the City for such services according to a fee structure established by those City departments.

Under the terms of the agreement, International Lobster Festivals, Inc. is encouraged to partner with local non-profit groups for the sale of beverages and tickets, and as vendors for services. Since 2005, payments to nonprofits have totaled almost \$200,505. A final report of fund-raising opportunities for local firms and organizations is a requirement of the agreement. For example, in the last three years, the primary non-profit partners were Harbor Interfaith Services and the San Pedro Rotary. Since 2005, Harbor Interfaith Services earned a total of more than \$133,000 as the vendor of First Class Tickets, and the San Pedro Rotary almost \$37,300 as the beer vendor. In addition, the contractor shall provide the Harbor Department with up to three information booths at no cost and shall similarly provide

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booths to local non-profits for educational purposes as space permits.

Also, under the terms of the agreement, International Lobster Festivals, Inc. will again be encouraged to subcontract with local firms for services, logistics, equipment and other purchased items. In 2012, harbor area firms employing a total of 309 local residents were hired to provide these goods and services.

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, subject to the approval of the Harbor Department's Communications Group staff.

Selection Process -International Lobster Festivals, Inc., was selected through a Request for Proposals (RFP) process with the RFP being issued on January 9, 2013. 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 non-profits and a local vendor who can supply the required amount of Maine lobsters.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a two-year agreement with International Lobster Festivals, Inc. for promotion and organization of the Annual Ports 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.

ECONOMIC BENEFITS:

Approval of this agreement will have no direct employment effect. Indirect economic benefits include attracting visitors to the waterfront (approximately 41,900 in 2012), supporting local fundraising, and providing opportunities firms to supply the event with goods and services.

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FINANCIAL IMPACT:

The financial impact of the proposed two-year agreement 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 two fiscal years, it is expected that \$70,000 will have been expended under this agreement.

With the large crowds normally attending the Lobster Festival and the fact that it is held on Harbor Department property, this Department also provides various types of in-kind staff services and support. Included are event coordination and on-site staffing by Communications Group staff, Port Police and security officers overtime presence, Construction and Maintenance site preparation and logistical support, and extended hours of operation of the Red Car. The estimated cost to the Harbor Department of this in-kind support is approximately \$100,000 annually.

Funds the amount of \$35,000 have been requested to be budgeted in the FY 2013/14 budget in Account 52031 (Sponsorships), 0220 (Public Relations), Program 620 (Community Outreach). If the agreement is approved, \$35,000 will again be requested to be budgeted as part of the Department's annual budget adoption process in the 2014-15 fiscal year budget. If future fiscal year funds are not appropriated by the Board for the work in any 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.

CITY ATTORNEY:

The City Attorney's Office has prepared the necessary agreement and approved them as-to-form and legality.

TRANSMITTAL:

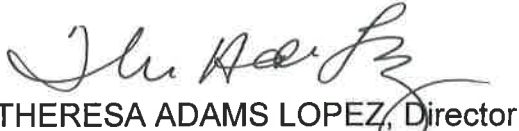
1. Proposed agreement with Intentional Lobster Festivals, Inc.

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FIS Approval: WSP (initials)
CA Approval: CRB (initials)


THERESA ADAMS LOPEZ, Director
Public Relations


ARLEY BAKER, Sr. Director
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APPROVED:

GERALDINE KNATZ, Ph.D.
Executive Director