



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

DATE: AUGUST 16, 2013

FROM: REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - PROPOSED TEMPORARY ENTRY AND USE PERMIT NO. 1384 WITH CIRQUE DU SOLEIL AMERICA, INC. FOR PREMISES IN THE OUTER HARBOR

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) proposes to grant a 90-day Temporary Entry and Use Permit (TEUP) to Cirque Du Soleil America, Inc. (Cirque) to construct, operate, and maintain a temporary live entertainment facility for the show entitled Totem at Berths 45-49. Cirque has performed various shows in Southern California, with recurring performances at Santa Monica and Irvine. This year Cirque has identified San Pedro as another viable venue for its performances.

This proposed TEUP is being brought before the Board of Harbor Commissioners (Board), as the annual rent exceeds the \$150,000 threshold amount that the Executive Director is authorized to grant without Board approval.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the proposed draft Temporary Entry and Use Permit between the City of Los Angeles Harbor Department and Cirque Du Soleil America, Inc, in the form substantially as attached;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the Temporary Entry and Use Permit in a form substantially in accordance with the draft attached as Transmittal 2, subject to City Attorney approval as to form and legality; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – In the past year, Cirque has been searching for show locations for its current shows and selected San Pedro as one of three viable venues in Southern California. The two other locations are Santa Monica and Irvine. The Harbor Department was contacted by Cirque early this year, and staff did a walkthrough of two

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possible locations. The location at Berths 45-49 in Outer Harbor (Transmittal 1) was ultimately selected as the ideal performance site. Berths 45-49 are generally used for temporary events and three cruise ship days. Cirque's proposed use is an additional event for the site and does not conflict with other uses.

Terms and Conditions - The key terms and conditions of the TEUP (Transmittal 2) are as follows:

Premises: Approximately 11 acres of land on Berths 45-49 and approximately two additional acres for occasional overflow parking at Berth 43 in the Outer Harbor. This location is desirable due to its size and minimum impacts to other tenants of the Harbor Department.

Permitted Uses: For the construction, maintenance, and operation of a live entertainment facility (show titled Totem) and other ancillary activities related thereto.

Term: Effective upon September 1, 2013.

Compensation: Cirque will pay the Harbor Department rent for the premises during the term of the TEUP the greater of; (i) Two Hundred Thousand Dollars (\$200,000); or (ii) an amount representing 80 percent of the Parking Revenues (Rent). The \$200,000 minimum rent was a negotiated rent that was used by Cirque as another criterion which ultimately made Berths 45-49 one of the selected locations for Cirque's performances.

Environmental: Environmental Management developed appropriate environmental requirements for the use of the premises, such as California Air Resources Board approved power generation equipment and approved Best Management Practices for its concession operations.

Restoration: Cirque shall surrender possession of the premises to the Harbor Department and shall, without cost to the Harbor Department, remove any and all of its property, and restore the premises to the same or as good condition, ordinary wear and tear and damage from casualty excepted, as the same were in at the time of the first occupancy thereof by Cirque.

ENVIRONMENTAL ASSESSMENT:

The proposed action is issuance of a TEUP to Cirque for construction, operation and maintenance of a temporary live entertainment facility at Berths 45-49. As an activity involving 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 III Class 4 (6) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

Approval of the proposed TEUP would result in the Harbor Department committing 11 acres located at Berths 45-49 and occasionally two acres (overflow parking) at Berth 43 to Cirque for a 90-day period beginning September 1, 2013. Cirque will pay the Harbor Department rent for the premises during the term of the TEUP the greater of \$200,000 or 80 percent of the parking revenues. The financial impact of not approving the proposed TEUP would be for the Harbor Department to forgo at least \$200,000 in revenue. The proposed use of Berths 45-49 by Cirque will not displace any current or prospective tenants during the term of the TEUP. Cirque will provide its own security and emergency medical services for the event so additional costs for such services are not expected to be incurred by the Harbor Department assuming attendance to the event does not significantly surpass the anticipated levels.

CITY ATTORNEY:

TEUP No. 1384 is subject to approval as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Temporary Entry and Use Permit

FIS Approval: JKP (initials)


CA Approval: [Signature] (initials)

Molly Campbell

KATHRYN McDERMOTT
Deputy Executive Director

for 
JACK C. HEDGE
Director of Real Estate

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

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