



# CITY OF LONG BEACH

# R-21

DEPARTMENT OF COMMUNITY DEVELOPMENT

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802

March 18, 2008

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute any and all documents necessary for an Amended and Restated Agreement with the Grand Prix Association of Long Beach, LLC, a Delaware limited liability company. (District 2)

## BACKGROUND

On April 15, 1975, the City and the Grand Prix Association of Long Beach (Association) executed Agreement No. 16278 (Agreement) granting permission to the Association to conduct championship Grand Prix automobile races in the City of Long Beach. The term of the Agreement, as amended, expired June 30, 1990. On April 30, 1990, the City extended the term of the Agreement to June 30, 2000. On April 18, 1995, the City amended and restated the Agreement, which included a termination date of June 30, 2010.

The City has had a long and mutually advantageous relationship with the Association. The races have drawn large crowds, national and international exposure for the City, and generated substantial positive economic benefits. In an effort to continue this relationship, the Association has requested to extend the term of the current Agreement to June 30, 2020. This request provides an opportunity for the City to revise and refine other aspects of the Agreement.

While most of the provisions of the existing Agreement will remain unchanged, the proposed Amended and Restated Agreement will include the following significant terms and conditions:

- The Association shall be granted the exclusive right to conduct an annual Championship Grand Prix race event, which event shall include Champ Car, the Indy Racing League, Formula 1, or other premier race car series approved by the Automobile Competition Committee for the United States and certified by the

Federation Internationale de L'Automobile. If none of those series can be conducted, the Association may schedule another similar premier open-wheel race event upon the prior approval of the City in its sole and absolute discretion.

- The City shall not permit or otherwise grant authority to any other entity other than Association to conduct a motor vehicle race within the City during the term.
- The extension shall be for a term of five years, expiring on June 30, 2015.
- There shall be one option to extend the term for an additional five-year period upon the mutual agreement of the City and Association.
- If the Association fails to conduct an annual quality race, which is approved by the Automobile Competition Committee for the United States and certified by the International Automobile Federation, or other open-wheel racing association approved by the City in its sole and absolute discretion, the City may terminate the Agreement upon fifteen days' advance written notice.
- The circuit vicinity will be bounded by the Los Angeles River to the west, 3rd Street to the north, Alamitos Street to the east, and the Pacific Ocean to the south.
- The race period will be extended from 3 days to 3½ days, beginning on Thursday afternoons at 3:00 PM and ending Sunday evenings at 6:00 PM.
- Thursday events shall be free or offered at a reduced admission, shall include community-related programming, shall begin no earlier than 3:00 p.m. and continue no later than 5:45 p.m., and shall provide unrestricted egress from the Aquarium parking structure until 2:45 p.m.
- The impacts of the Thursday events shall be reviewed after the 2009 race and the Association, in collaboration with the local stakeholders, shall determine if the Thursday events will become permanent.
- The Association shall offer to and provide out-of-town tours or other suitable activities on either of the final two (2) days of the race to persons residing in apartments or other residences which were occupied as of December 15, 1982 on the north side of Seaside Way and southerly of Ocean Boulevard, and to persons residing in the greater downtown area who submit document proof of health conditions which may be aggravated by the noise of the race.
- The Association and the City shall agree on a nighttime traffic plan allowing for increased and coherent vehicular circulation during the evenings of the race.
- The Association may submit a written request to the Director of the Long Beach Development Services Department, requesting a written list of all projects under development south of Ocean Boulevard, from the Los Angeles River to Alamitos Street/Shoreline Drive, which are subject to discretionary review, and the City will have ten days to provide such list. If the Association requests contact information for a proposed development, City shall further provide such information, allowing

the Association and the involved developer to discuss potential impacts to the race circuit and minimization thereof.

- If the City presents or refers a sponsorship package to the Association and the Association enters into a sponsorship agreement, the Association shall pay to the City a commission fee equal to fifteen percent of the full price of such sponsorship package.
- The parties acknowledge that they are both signatory to an agreement with Developers Diversified Realty, the developers of the Pike at Rainbow Harbor, dated April 13, 2004, the term of which will continue concurrent with the term of this Agreement.
- City Services and the Extraordinary Expenses (which includes the Permit Fee and the Contract Administrative Fee) related thereto will be depicted in an Exhibit to the Agreement. The City has agreed to provide the City Services detailed in the Exhibit and the Association has agreed to reimburse to the City the Extraordinary Expenses that now total a maximum amount of \$519,558, which amount shall increase every other year by the cumulative increase in the Consumer Price Index. If the City does not provide a City Service detailed on the Exhibit, because the Association has provided that service, or for other unforeseen reasons, the Extraordinary Expenses shall be reduced to reflect the actual City Services provided by the City.
- The Association will guarantee a minimum of 14 cars will participate in the Race, or the City may terminate the Agreement.
- The Association will guarantee a minimum of one hour of national television exposure, or the City may terminate the Agreement.
- The Association will ensure that the Race occurs in the spring of each year.
- The Association will cooperate with the City in jointly organizing a recycling policy for all Race events.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on March 11, 2008 and Budget Management Officer Victoria Bell on February 1, 2008.

#### TIMING CONSIDERATIONS

City Council action is requested on March 18, 2008, in order to allow the Association to coordinate with its promoters and participants for the 2008 race.

#### FISCAL IMPACT

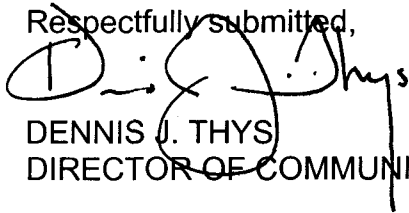
There is no fiscal impact associated with the recommended action.

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March 18, 2008  
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SUGGESTED ACTION:

Approve recommendation

Respectfully submitted,



DENNIS J. THYS  
DIRECTOR OF COMMUNITY DEVELOPMENT

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APPROVED:



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PATRICK H. WEST  
CITY MANAGER