



**DATE:** JUNE 30, 2025

**FROM:** WATERFRONT AND COMMERCIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ – APPROVAL OF AMENDMENT TO  
THE PORT OF LOS ANGELES WATERFRONT COMMERCIAL LEASING  
GUIDELINES

**SUMMARY:**

Staff request approval of an amendment to the Port of Los Angeles Waterfront Commercial Leasing Guidelines (Leasing Guidelines). The Leasing Guidelines establish criteria and procedures applicable to leasing and financing of LA Waterfront ground lease developments. The LA Waterfront is comprised of 400 acres of land and eight miles of water frontage in Wilmington and San Pedro designated for public access and visitor serving land uses. The Leasing Guidelines provide broad objective standards for project leasing proposals that achieve the Port's and Tidelands Trust's goal of maximizing the long-term value and utility of land assets. Achieving this broad goal will result in improving and encouraging public access to the tidelands and the LA Waterfront for the citizens of California which is a central mission of the Tidelands Trust Doctrine. The Leasing Guidelines apply to all public access related uses including, but not limited to commercial, cruise/ferry, fish sales (retail or wholesale), hotel, marina, museum, office, park, research and retail, dining, and entertainment.

The City of Los Angeles Harbor Department (Harbor Department) has a financial interest in hospitality operations that are operated by private companies that lease real property from the Harbor Department. The private companies that conduct these operations base their lease, rental or license payments to the Harbor Department in part on the revenues they generate. Therefore, it is essential that these companies conduct business operations efficiently and without labor dispute interruptions by being required to utilize labor peace agreements to shield hospitality operations from the impacts labor disputes may have on revenue.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed amendment to the Port of Los Angeles Waterfront Commercial Leasing Guidelines; and

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3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – The LA Waterfront has become increasingly active due to the Harbor Department’s continued investment into public access infrastructure, events programming, and new private developments. In 2015, the Real Estate Division was reorganized to strategically focus on issues unique to the public access areas and build value in waterfront assets through attraction of private development in the LA Waterfront. In 2017, the Board adopted the new Leasing Guidelines, distinct from the 2013 Leasing Policy, to establish criteria and procedures applicable to LA Waterfront developments that rely on private developer investment and institutional financing. The 2013 Leasing Policy generally applies to cargo terminal related leasing practices. (A copy of the Leasing Guidelines with the proposed amendment added as Section VI is attached as Transmittal 1).

The Leasing Guidelines establish predictable leasing procedures and practices to encourage new and existing tenants and developers to propose significant investment and/or reinvestment in public access developments along the LA Waterfront. The success of the LA Waterfront depends on privately financed developments.

Leasing Guidelines Overview - Continued and sustainable development of the LA Waterfront requires unique leasing strategies that provide private investors with a predictable framework for how the Harbor Department will practice in a variety of transactional situations, including but not limited to, 1) solicitation of competitive proposals for vacant or occupied properties, 2) consideration of proposals from existing tenants to reinvest in their existing developments during or near the end of their lease term, 3) establishing and negotiating minimum rent and other forms of compensation, 4) establishing sub-tenancy requirements, 5) prescribing objective standards for consent to assignments of leasehold interests, and 6) providing objective standards for the approval of leasehold financing. The Leasing Guidelines are further divided into four distinct areas including General Guidelines, Lease Initiation Guidelines, Lease Provision Guidelines, and Lease Performance Guidelines. The Leasing Guidelines do not obligate the Harbor Department to undertake any specific development project.

The Leasing Guidelines supports the Port of Los Angeles Strategic Plan, Public Access Investment Plan, and reinforces consistency with other Board approved policies, as well as applicable laws, including the Los Angeles City Charter, Los Angeles Administrative Code, and State Tidelands Trust Grant.

Proposed Action - Waterfront and Commercial Real Estate requests the Board approve the amendment to the Leasing Guidelines, which will guide leasing decisions for existing hospitality operations that lease real property from the Harbor Department within the LA Waterfront. The proposed amended Leasing Guidelines will provide an internal framework for leasing practices that are essential for hospitality operations to conduct business efficiently and without labor interruption resulting in improved economic value of waterfront property assets and increase public access to the LA Waterfront.

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Staff propose amending the General Guidelines section by adding Section VI. Labor Peace Agreement as follows:

**VI. Labor Peace Agreement.**

1. Purpose - The Harbor Department has a financial interest in hospitality operations that lease real property from the Harbor Department. These operations base their lease, rental or license payments to the Harbor Department in part on the revenue they generate. Therefore, it is essential that these operations conduct business efficiently and, to the extent possible, without interruption. The Harbor Department has found that the efficient and uninterrupted operation of hospitality operations may be threatened by labor disputes. The Harbor Department's investment in these operations must be shielded to the extent possible from impact that labor disputes may have on the revenue of these hospitality operations. The Harbor Department has further found that it can protect its investment by requiring its hotel operations lessees to sign contracts with the labor organizations that represent employees in the hospitality industry. These contracts will prohibit the labor organizations and its members from engaging in picketing, work stoppages, boycotts or other economic interference with the business of the hospitality operators, for the duration of their lease with the Harbor Department.
2. Policy - It is the Policy of the Board; the Harbor Department shall not execute any Lease with existing hospitality operations unless and until the hospitality operations lessee has signed a labor peace agreement with any labor organization seeking to represent hospitality workers at the premises covered by the lease. Each labor peace agreement must contain a no-strike pledge. A hospitality operations lessee shall be relieved of the obligations of this section with respect to a labor organization if the labor organization places conditions upon its no-strike pledge that the Board finds arbitrary or capricious.
3. Limitations - Nothing in this Policy requires hospitality operations lessee to recognize a particular labor organization. This Policy is not intended to, and shall not be interpreted to, enact or express any generally applicable policy regarding labor-management relations or to regulate those relations in any way. This Policy is not intended to favor any particular outcome in the determination of employee preference regarding union representation. Nothing in this Policy permits or requires the City or any hospitality operations lessee to enter into any agreement in violation of applicable law.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of an amendment to the Leasing Guidelines, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

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**FINANCIAL IMPACT:**

Adoption of the amendment to the Waterfront Commercial Leasing Guidelines will provide a framework for leasing decisions for public access related uses in the LA Waterfront. The amendment to the Waterfront Commercial Leasing Guidelines does not request approval for any specific project, as any contemplated project will follow established Harbor Department procedures, including requesting Board approval as appropriate.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed the amendment to the Waterfront Commercial Leasing Guidelines and raises no legal issues at this time.

**TRANSMITTAL:**

1. Waterfront Commercial Leasing Guidelines (Draft Amendment)

FIS Approval: MM (initials)  
CA Approval: JG (initials)

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BL1085 Amendment - Waterfront Commercial Leasing Guidelines