



Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: AUGUST 3, 2021**

**FROM: WATERFRONT AND COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF REVOCABLE PERMIT (LICENSE TO USE AND OCCUPY) NO. 2021-001 WITH HARBOR BREEZE CORP.**

**SUMMARY:**

Staff requests approval of the proposed Revocable Permit (License to Use and Occupy) No. 2021-001 (Permit) with Harbor Breeze Corp. (Harbor Breeze) for commercial charter vessel passenger operations at the Downtown Harbor located at Berth 85, as well as use of the Downtown Harbor for tours scheduled on behalf of the City of Los Angeles Harbor Department (Harbor Department). The proposed Permit is for a period of three years, subject to cancellation by the Harbor Department upon 90 days' written notice. Under the proposed Permit, rent would be equivalent to seven percent of gross receipts. Staff estimates that gross receipts will be approximately \$190,000 per year, which would result in annual compensation of seven percent of gross receipts or an estimated \$13,300 to the Harbor Department. The Harbor Department reserves the right to cancel all or a portion of the Permit upon 90 days' written notice.

**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 categorically exempt from the requirements of the California Environmental Quality Act under Article III Class 1(18)(b) of the Los Angeles City CEQA Guidelines;
2. Approve Revocable Permit (License to Use and Occupy) No. 2021-001 with Harbor Breeze Corp.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit (License to Use and Occupy) No. 2021-001; and
4. Adopt Resolution No. \_\_\_\_\_

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**DISCUSSION:**

Background – Downtown Harbor is part of the Harbor Department’s effort to promote the LA Waterfront as a district of cultural, institutional, and educational uses. To complement these facilities, additional berthing was constructed at Berth 85 for use as Recreational Courtesy Docks known as Downtown Harbor.

Since the completion of the Downtown Harbor in June 2014, the docks at Berth 85 have been underutilized and are primarily used for Harbor Department-commissioned boat tours and events such as Tall Ships, Holiday Parade, and LA Fleet Week. Small recreational vessels occasionally dock for free for no more than four hours, as permitted by the Tariff. The Waterfront and Commercial Real Estate Division has also issued short-term permits to various civic and non-profit groups who requested docking longer than the permitted time.

Revocable Permit (License to Use and Occupy) – The proposed Permit (Transmittal 1) grants Harbor Breeze the non-exclusive right to use the three northern docks and four southern docks at Berth 85 of the Downtown Harbor (Transmittal 2) for the operation of chartered commercial passenger vessels serving prescheduled tour groups. No advertising, scheduling, collection of money, or any other activities other than the loading and unloading of passengers and supplies are permitted.

Harbor Breeze will provide a monthly schedule, subject to the Director of Waterfront and Commercial Real Estate (Director) or designee’s approval for weekdays, weekends, and holidays. The Director or designee reserves the absolute right to deny any such requests for authorization at his or her sole discretion upon 24 hours’ written notice to Harbor Breeze.

Use of the premises is non-exclusive and on a first-come basis. If the northern docks are fully occupied, Harbor Breeze may use the four southern docks of the Downtown Harbor as necessary, and also on a non-exclusive first-come basis. Harbor Breeze's use of the four southern docks is only permissible when the northern docks are fully occupied by other vessels.

Harbor Breeze’s vessels may not arrive at, or remain at, the Premises other than during the time each vessel is actively loading or unloading passengers and/or supplies. Harbor Breeze shall remove all trash and debris from the Premises and the adjacent areas immediately after each use of the Premises.

Harbor Breeze offers a variety of tours which will promote the LA Waterfront as a tourist destination and increase revenue to the Harbor Department and within the local community. Harbor Breeze offers the following types of charter tours that will provide seven percent of gross receipts to the Harbor Department:

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- a. harbor tours;
- b. year-round whale watching tours;
- c. dolphin and sea life tours;
- d. sport fishing;
- e. education tours;
- f. private tours;
- g. weddings;
- h. corporate events;
- i. holiday parties;
- j. memorials at sea;
- k. water taxi services; and
- l. Dinner cruises by third-party operators (five percent of gross receipts).

Sport fishing will not be permissible, since the Tariff prohibits the transfer of merchandise or matters of objectionable nature such as fresh or decaying fish at the recreational courtesy docks. Harbor Breeze will also offer dinner cruises by third-party boat operators with a payment of five percent of gross receipts.

In the event that recreational boaters' use of the courtesy docks increase substantially, or that construction projects in the general vicinity become of such a magnitude that chartered tours cannot be accommodated, the Harbor Department may cancel the Permit upon giving 90 days' written notice.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Revocable Permit with Harbor Breeze for as-needed operation of chartered commercial passenger vessels serving prescheduled tour groups, which is an activity involving the issuance of a permit granting use of municipal wharves involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(18)(b) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Revocable Permit will enable Harbor Breeze to operate commercial charter vessel passenger operations at the Downtown Harbor located at Berth 85. Compensation under the proposed Revocable Permit will be seven percent of gross receipts. Staff estimates that gross receipts will approximate \$190,000 per year, which would result in annual compensation of \$13,300 to the Harbor Department.

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**CITY ATTORNEY:**

The Office of the City Attorney has prepared and approved Revocable Permit (License to Use and Occupy) No. 2021-001 as to form and legality.

**TRANSMITTALS:**

1. Revocable Permit (License to Use and Occupy) No. 2021-01
2. Site Map

FIS Approval: *MB*  
CA Approval: *JS*

*Michael J. Galvin*  
MICHAEL J. GALVIN  
Director of Waterfront and Commercial Real Estate

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Marla Bleavins* For

EUGENE D. SEROKA  
Executive Director

ES:MD:MG:HP:MS:ds  
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