



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: AUGUST 4, 2021**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE ASSIGNMENT OF PERMIT NO. 892 FROM TRI MARINE FISH COMPANY TO CAL MARINE FISH COMPANY; GUARANTY WITH INTER OCEANIC HOLDINGS, LLC**

**SUMMARY:**

Staff requests approval of (i) an assignment and assumption of Permit No. 892 from Tri Marine Fish Company, LLC (Tri Marine) to Cal Marine Fish Company LLC (Cal Marine), and (ii) a guaranty furnished by Inter Oceanic Holdings, LLC (Inter Oceanic). The City of Los Angeles Harbor Department (Harbor Department) granted Permit No. 892 (Permit) to Tri Marine for purposes of operating a wet fish processing facility on Terminal Island, for a term of 20 years expiring November 2037. Under this action, Cal Marine would assume all rights and obligations under the Permit, and Inter Oceanic would guarantee the full and timely payment and performance of the debts, obligations, and liability of Cal Marine under the Permit.

**RECOMMENDATION:**

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

1. Find that the Director of Environmental Management has determined that the proposed actions are 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 Assignment and Assumption of Permit No. 892 and Consent Thereto from Tri Marine to Cal Marine;
3. Approve the Order consenting to assignment of Permit No. 892 from Tri Marine to Cal Marine;
4. Approve the Guaranty provided by Inter Oceanic Holdings, LLC for Permit No. 892;
5. Authorize the Executive Director to execute and the Board Secretary to attest to the Assignment and Assumption and Consent Thereto of Permit No. 892;

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6. Authorize the Executive Director to execute and the Board Secretary to attest to the Order consenting to assignment of Permit No. 892;
7. Authorize the Executive Director to execute and the Board Secretary to attest to the parent guaranty provided by Inter Oceanic Holdings, LLC; and
8. Adopt Resolution No. \_\_\_\_\_ and Order No. \_\_\_\_\_.

**DISCUSSION:**

The Harbor Department granted Permit No. 892 (Permit) to Tri Marine for purposes of operating a wet fish processing facility on Terminal Island (Transmittal 1) for a term of 20 years, expiring November 2037. The minimum annual rent obligation for 2021 is \$479,986. The tenant also pays percentage rent above the minimum, which is estimated to be an additional \$55,000.

Assignment - Tri Marine processes tuna, squid, and other pelagic species at the premises covered under the Permit. In 2019, Tri Marine's parent company transferred the tuna portion of its business and the Tri Marine name to a minority shareholder. This 2019 transaction necessitated that Tri Marine cease further use of such name. An amendment to Tri Marine's formation documents changing the name was not possible because relevant US regulatory agencies with oversight of Tri Marine's business (US FDA and USDC) prohibit the use of the same FDA Establishment Identifier for companies with different names. Tri Marine created a subsidiary company (Cal Marine), so it could apply for a new FDA Establishment Identifier. As such, Tri Marine is merging with and into Cal Marine so it may continue to operate. This merger, as well related upstream mergers, constitute an assignment under the Permit. Because there was no economic consideration involved due to the administrative nature of the transactions, a transfer premium would not apply. The assignment and assumption instrument is provided as Transmittal No. 2.

Guaranty - Based on the review of the Cal Marine's financial statements, the Harbor Department is requiring a guaranty from Inter Oceanic as a condition of the assignment. See Transmittal No. 3.

**ENVIRONMENTAL ASSESSMENT:**

The proposed actions are the approval of an assignment and assumption of Permit No. 892 from Tri Marine to Cal Marine, and approval of a guaranty furnished by Inter Oceanic, which are administrative activities. Therefore, the Director of Environmental Management has determined that the proposed actions are 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:**

Approval of the proposed assignment and assumption of Permit No. 892 from Tri Marine to Cal Marine will not have a financial impact on the Harbor Department as the proposed action is largely administrative in nature and is required at this time in order for Tri Marine to continue operating at the premises under a new name (Cal Marine) and operate under a new FDA Establishment Identifier.

Approval of the proposed guaranty with Inter Oceanic will provide additional financial support in the event that the new permittee, Cal Marine, experiences financial hardship or is required to undertake a restoration obligation. Under the proposed guaranty, Inter Oceanic will absolutely, irrevocably and unconditionally guarantee, and become surety for, the full and timely payment and performance of debts, obligations and liability of the tenant under the Permit.

**CITY ATTORNEY:**

The Guaranty, Assignment and Assumption and Consent Thereto, and Assignment Order (Transmittal 4), have been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

- 1. Site Map
- 2. Assignment and Assumption and Consent Thereto
- 3. Guaranty
- 4. Assignment Order

FIS Approval: MB  
 CA Approval: JS

*Marisa L. Katnich*  
 MARISA L. KATNICH  
 Director, Cargo & Industrial Real Estate

*Michael DiBernardo*  
 MICHAEL DiBERNARDO  
 Deputy Executive Director

APPROVED:

*Marla Bleavins* For

EUGENE D. SEROKA  
 Executive Director

ES:MD:MK:PA:TP:raw  
 Author: Tom Patton  
 BL900raw Tri Marine Assignment