



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: NOVEMBER 7, 2023**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - PROPOSED FIVE-YEAR  
LEASE AGREEMENT BETWEEN SANTA CATALINA ISLAND  
CONSERVANCY AND THE CITY OF LOS ANGELES HARBOR  
DEPARTMENT**

**SUMMARY:**

Staff requests approval of a Lease Agreement (Lease) with the Santa Catalina Island Conservancy (Catalina) to rent building and communications tower space located on Santa Catalina Island for a five-year period. The tower space will be utilized for housing a radio transmitter for the Los Angeles Port Police (Port Police) radio communications system, which would provide significant radio coverage to the Port Police in areas outside the breakwater.

Under the proposed Lease, the City of Los Angeles Harbor Department (Harbor Department) would occupy building space, vertical rack and communication tower space. Furthermore, under the proposed Lease, the Harbor Department would pay a monthly rate of \$8,378 in Year 1, which represents an increase of \$3,515.97 per month or 72 percent relative to the \$4,862.03 currently paid. Thereafter, rent would increase by five percent per year over the five-year term of the Lease.

The proposed increase in rent is primarily driven by the additional space required for new equipment installed onsite after May 1, 2023. Under the proposed Lease, the Harbor Department would also pay a lump sum based on \$3,515.97 per month in deferred rent beginning on May 1, 2023, through the date the proposed Lease is executed to account for the additional space occupied. Upon execution, the deferred lump sum amount would be included with the initial monthly payment of \$8,378.

The Harbor Department would be financially responsible for the payment of lease expenses as well as the cost of continuing to maintain the radio system components located within the building if the proposed Lease is approved.

**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 Lease Agreement;

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- 3. Authorize the Executive Director to execute and the Board Secretary to attest to the Lease Agreement; and
- 4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Port Police operate outside of the federal breakwater south of the port district in order to conduct law enforcement and port security missions, as well as to assist other agencies with maritime search and rescue operations. Radio communications are critical in order for Port Police units to maintain communications with Port Police dispatch, other Port Police units, and responding units from other agencies. The current Agreement between the Harbor Department and Catalina is set to expire on September 30, 2024.

Lease Agreement – The proposed Agreement (Transmittal 1) grants the Harbor Department space on a communications tower as well as space in an adjacent building to place radio system components located on Catalina Island (Transmittal 2). The term of the proposed Agreement is five years. The new proposed Agreement will terminate and supersede the current Agreement. This transmitter location provides Port Police continuous radio coverage in the areas outside of the breakwater.

|                   | Current Rental Space and Cost  | Proposed Rental Space and Cost   |
|-------------------|--|--|
| Premises          | 1 6ft Sinclair SV304-V Antenna<br><br>1 19 inch by 24 inch by 84 inch cabinet (22.17 cubic ft) | 75 rack units (132 vertical inches rack space)<br>2 700Mhz Panel Antennas<br>Total space-75 rack units and Panel Antennas (29 feet)<br>3 additional rack units(5.25 inches rack space)<br>24 inches by 12 inches of wall space |
| Monthly Rent      | \$4,862.03   | \$8,378.00   |
| Percentage Change |  | 72.31  |

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Catalina charges \$101.29 per rack unit, which is approximately 1.75 inches. The rack units refer to the rack height that houses various antenna and cabinet equipment. The current rental spaces use 48 rack units and the proposed rental spaces uses approximately 83 rack units as Port Police has confirmed. The charged rack unit rate is based on the 2018 original lease agreement and has not gone up in successive years.

The additional space used will extend the radio range and allow Port Pilots to be supported in addition to Port Police.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a five-year lease agreement between the City of Los Angeles Harbor Department (Harbor Department) and Santa Catalina Island Conservancy (Catalina), for building and communications tower space located on Santa Catalina Island, 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.

**FINANCIAL IMPACT:**

If the proposed Lease is approved and assuming an execution date of December 1, 2023, the Harbor Department would be responsible for paying rent of \$555,524.86 over the five-year term as well as payment of deferred rent of \$24,611.79 for a total of \$580,136.65. It is anticipated that funds for the proposed Agreement will be expended as follows:

| <b>Fiscal Year</b> | <b>Base Rent</b>    | <b>Deferred Rent</b> | <b>Total</b>        |
|--------------------|---------------------|----------------------|---------------------|
| 2024               | \$58,646.00         | \$24,611.79          | \$83,257.79         |
| 2025               | \$103,468.30        | \$-                  | \$103,468.30        |
| 2026               | \$108,641.72        | \$-                  | \$108,641.72        |
| 2027               | \$114,073.80        | \$-                  | \$114,073.80        |
| 2028               | \$119,777.49        | \$-                  | \$119,777.49        |
| 2029               | \$50,917.55         | \$-                  | \$50,917.55         |
| <b>Total</b>       | <b>\$555,524.86</b> | <b>\$24,611.79</b>   | <b>\$580,136.65</b> |

Fiscal Year 2024 funding in the amount of \$83,257.79 is available within the Port Police Division budget, Account 59955 (Property Rental/License User Fees), Center 0412, Program 000. Funding for future fiscal years will be requested as part of the annual budget adoption process, subject to Board approval.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed Lease as to form and legality.

**TRANSMITTALS:**

1. Lease Agreement
2. Site Map
3. Location Map
4. Rack Pictures

FIS Approval: MB  
CA Approval: SO

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

*Michael DiBernardo*  
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Deputy Executive Director

APPROVED:

*Maia Blevins* For  
EUGENE D. SEROKA  
Executive Director

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