



Los Angeles Sky Harbor

DoubleTree by Hilton San Pedro

Permit No. 942
50-Years

Presented by:

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Real Estate Division*

Presented to:

Board of Harbor Commissioners

August 28, 2025

Background



- Doubletree Hotel was built by California Coast Development Group in 1989
- Doubletree was foreclosed on by lenders and lost its flag on two separate occasions
- LASH purchased and assumed P520 on February 27, 2013
- LASH invested \$6 Million and significantly improved the property
- LASH is the most successful operator since inception

Terms and Conditions

Tenant: Los Angeles Sky Harbor, LLC. (LASH)

Labor Peace Agreement: UNITE HERE Local 11

Terms & Conditions:

- **50-year permit (Replace current 50-year permit expiring in 2046)**
- **Capital Improvements: Initial \$10 Million plus regular Capital Improvements required by Hilton to maintain its flag as Doubletree Hotel**
 - **Changes to Hilton brand to be approved by the Board.**
- **Minimum Fixed Rent Increase from \$284,556 to \$429,588**
- **Percentage Rent on Rooms, Food & Beverages: increase to a fixed 5% rate from the graduated rate of 2% to 4%**
- **Annual CPI adjustment and Compensation Reset every 5th year based on Economic Performance Method.**
 - **Changes to CPI index to be approved by the Board.**

Recommendation

Staff Recommends that the Board:

1. Find that the new 50-year permit is in the best interest of the Harbor Department and in compliance with the proposed revised Waterfront Commercial Leasing Guidelines;
2. Approve the Permit No. 942 with LASH.

