

DATE: OCTOBER 5, 2022

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ – APPROVE THIRD AMENDMENT
TO PERMIT NO. 899 WITH PACIFIC BATTLESHIP CENTER**

SUMMARY:

Staff requests approval of the proposed Third Amendment to Permit No. 899 (P899) with Pacific Battleship Center (Pacific Battleship), a museum and educational facility commonly referred to as the USS Iowa. Upon execution of P899, Pacific Battleship had a ten-year term that commenced May 25, 2012, with two five-year options to extend the term. Pacific Battleship exercised the first five-year option to extend the term of P899 to May 25, 2027, which is still awaiting City Council approval.

If approved, the proposed Amendment will require the City of Los Angeles Harbor Department (Harbor Department) to provide 100 parking passes to Pacific Battleship at no cost, and require Pacific Battleship to provide an annual written report every January 31st. Currently, Pacific Battleship is required to report monthly. The 100 no-cost parking passes represent an increase of 60 additional parking passes relative to the 40 no-cost parking passes currently provided to USS Iowa staff and volunteers.

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 (CEQA) under Article III Class 1(3) and Class 1(14) of the Los Angeles City CEQA Guidelines;
2. Approve the Third Amendment to Permit No. 899 with Pacific Battleship Center;
3. Direct the Board Secretary to transmit the Third Amendment to Permit No. 899 to City Council for approval pursuant to Section 606 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Third Amendment to Permit No. 899 upon approval by the City Council; and
5. Adopt Resolution No. _____.

SUBJECT: THIRD AMENDMENT PACIFIC BATTLESHIP CENTER

DISCUSSION:

Background - P899 between the City of Los Angeles, acting through the Board, and Pacific Battleship grants use of approximately 4.43 acres of property at Berths 88-89 (Transmittal 1) for the berthing, maintenance, and operation of the USS Iowa as a museum and educational facility; venue for maritime and military-related events; special events that promote the LA Waterfront; sleepover programs; filming; special events with prior Harbor Department approval; and storage of associated equipment, material, and supplies.

Proposed Third Amendment:

The proposed Third Amendment (Transmittal 2) will include adjustments to assist Pacific Battleship with parking needs for staff and volunteers, as well as annual reporting practices. The Third Amendment will include:

Parking:

- The Harbor Department will provide, at no cost to Pacific Battleship, shared, non-exclusive use of the improved adjacent parking lot located at the rear of Berths 87-93. In consideration of Pacific Battleship's non-profit status, the Harbor Department will issue up to 100 parking passes to Pacific Battleship. Pacific Battleship currently has 40 parking passes, but due to the increasing popularity of the USS IOWA as a museum and event space, Pacific Battleship has hired more staff and taken on more volunteers, therefore triggering the request for an increase for parking passes. Pacific Battleship currently employs 30 full-time staff, 25 to 30 part-time staff, and has 300 active volunteers. The Pacific Battleship routinely has a minimum of 80 staff cars parked in the Berths 87-93 parking lot on a daily basis.
- Parking passes will be utilized by and administered to Pacific Battleship staff and volunteers only. The Pacific Battleship security team tracks and administers the passes through a daily check-in/check-out system, which tracks Pacific Battleship crew ID/crew number to prevent any kind of misuse.
- The Harbor Department will conduct annual reviews of the passes to ensure they are being administered and utilized correctly. Additionally, Harbor Department staff is confident that the Berths 87-93 parking lot can accommodate the increase in staff parking and that this increase will not have a negative impact on other businesses within the area.

Annual Reporting:

- Every year, commencing on January 31, 2023, Pacific Battleship will be required to submit an annual report to the Harbor Department for review. The annual report will outline annual attendees, classified by month and visitor type: volunteer, paid, or complimentary. The annual report will also include monthly expenses for all Pacific Battleship activities conducted on the Premises. Initially, the Pacific Battleship was required to provide monthly operational and financial reports. At the inception of the lease, closer monitoring of activities was necessary. Given the past ten-year track record of the Pacific Battleship, Harbor Department staff is comfortable with Pacific Battleship submitting their report on an annual basis rather than a monthly basis in order to align them with other nonprofits.

SUBJECT: THIRD AMENDMENT PACIFIC BATTLESHIP CENTERSummary of Significant Terms:

Provision	Description
Parking	<ul style="list-style-type: none">• City shall grant Tenant up to 100 annual parking passes for its exclusive use
Reporting	<ul style="list-style-type: none">• Tenant shall submit to City an annual written report by January 31 every year

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed Third Amendment to P899 with Pacific Battleship for shared use of the rear Berths 87-93 parking lot and annual reporting requirement, which is an activity involving the operation of existing parking lots, and the amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use. 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(3) and Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed amendment will result primarily in administrative changes to P899 that will not have a financial impact on the Harbor Department. Pacific Battleship will continue to pay annual rent at the greater of \$111,348.89 or four percent of gross receipts with annual adjustments according to changes in the Consumer Price Index. While the proposed Third Amendment will enable Pacific Battleship to possess 60 additional no-cost parking passes, the provision of these additional passes is not anticipated to negatively impact the availability of paid parking for other businesses adjacent to the Berths 87-93 parking lot.

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CITY ATTORNEY:

The proposed Third Amendment has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Third Amendment

FIS Approval: MB
CA Approval: SO

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APPROVED:

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G:/Board Letters/BL956jt Pacific Battleship Third Amend