



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 15, 2025

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE REVOCABLE PERMIT NO. 24-14 WITH SAN PEDRO PROPERTY OWNERS ALLIANCE

SUMMARY:

Staff requests approval of Revocable Permit (RP) No. 24-14 with non-profit San Pedro Property Owners Alliance (SPPOA) for the use of City of Los Angeles Harbor Department (Harbor Department) property consisting of 3,360 square feet (s.f.) of parking lot space located at Berth 53 on Dave Arian Way, in San Pedro. SPPOA will utilize the site for San Pedro Trolley parking and to house two containers to store materials such as signs and decorations that are used for SPPOA events in downtown San Pedro and along the LA Waterfront. SPPOA assists in hosting several free events for local residents and visitors throughout the year, such as farmer's markets and first Thursday ArtWalks. The trolleys serve as a local attraction and transports visitors around the LA Waterfront and downtown San Pedro.

The current market value of the 3,360 s.f. premises is estimated at \$1,400.00 per month (\$16,800.00 per year) based on a land value of \$50.00 per s.f. with a 10 percent rate of return. SPPOA will be financially responsible for all costs, including maintenance of the storage container and premises. Given the greater benefits received by the Harbor Department from the events and services provided by SPPOA, which are aligned with visitor attraction objectives for the LA Waterfront, staff requests to waive monthly rent. Pursuant to the Harbor Department's Leasing Policy, the Board of Harbor Commissioners (Board) is required to approve the no rent RP.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under Article III Classes 1(14) and 3(6) of the Los Angeles City CEQA Guidelines;
2. Approve Revocable Permit No. 24-14 with San Pedro Property Owners Alliance;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 24-14; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – The SPPOA, a non-profit corporation administered by the San Pedro Historic Waterfront Business Improvement District (District), is a coalition of property owners committed to enhancing the quality of life along the San Pedro Waterfront and in downtown San Pedro. The SPPOA aims to help the downtown district achieve its full potential as an ideal place to own a business, visit, work or live. The District was established to create a stable revenue source to fund special benefits for the property owners within the district. Revenues are generated through an assessment on the property tax roll for designated parcels, which in turn are used to fund special benefits. The Harbor Department has a total of three representatives on the District Board of Directors, including two staff representatives and one Harbor Department tenant. Generally, the proposed District provides four major service categories: 1) Visitor, Ambassador and Security services; 2) Sanitation, Beautification, and Capital Improvements; 3) Marketing and Special Events; and 4) Administration and District Management. The assessment district is comprised of private and public property including a large portion of the Harbor Department-owned property in San Pedro. The Harbor Department will be paying an assessment of \$439,958.91 for this Fiscal Year and the assessment is subject to a three percent increase every year.

SPPOA services include maintenance, beautification, marketing, events, visitor ambassador programs, tourism, safety and security, economic development, and capital improvements. Additionally, the SPPOA develops and implements projects for the benefit of its stakeholders, which includes streetscape and alley lighting enhancements; security cameras throughout the District's downtown area; beautification; and infrastructure remediation. Marketing, community relations and events are continuous activities that support the District's economic, tourism and business development goals.

The proposed RP (Transmittal 1) will allow SPPOA to utilize parking lot space located at Berth 53 on Dave Arian Way, in San Pedro, for trolley parking and to maintain two containers to store materials related to events. The proposed space is of minimal utility to the Harbor Department and to local tenants due to its small size and lack of utilities.

Rent from the proposed RP premises (3,360 s.f.), at current market levels, is estimated at \$1,400.00 per month (\$16,800.00 per year). SPPOA events bring approximately 25,000 visitors to the LA Waterfront every year. These events provide significant value to the Harbor Department's investment in increasing visitors to the LA Waterfront while providing public benefit by highlighting improved public access. Given the greater benefits received by the Harbor Department from the events and services provided by SPPOA, which are aligned with visitor attraction objectives for the LA Waterfront, staff requests waiving monthly rent.

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Summary of Significant Permit Terms

Effective Date – The month-to-month RP will be effective upon execution by the Executive Director and revocable upon 30 days' written notice.

Premises – The premises for the RP is comprised of 3,360 square feet of parking lot space located at the parking lot at Berth 53 off Dave Arian Way, in San Pedro, CA (Transmittal 2). Tenant is responsible for site maintenance and upkeep.

Compensation – No rent RP for benefits provided to the Harbor Department through promotion of the LA Waterfront and adjacent attractions.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of RP 24-14 with SPPOA for 3,360 sf of parking lot space at Berth 53, which is the issuance, renewal, or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use and installation of accessory (appurtenant) structures. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from CEQA in accordance with Article III Classes 1(14) and 3(6) of the Los Angeles City CEQA Guidelines..

FINANCIAL IMPACT:

Approval of proposed Revocable Permit No. 24-14 will entitle SPPOA to utilize 3,360 s.f. of Harbor Department-owned parking lot space located at Berth 53. In light of the significant public benefits and value to the Harbor Department generated by SPPOA's efforts, the proposed revocable permit would be issued on a rent-free basis.

The current market value of the 3,360 s.f. premises is estimated at \$16,800 per year (\$1,400 per month) based upon a land value of \$50.00 per s.f. at a 10 percent rate of return. SPPOA will be financially responsible for all costs, including maintenance of the storage containers and premises.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Revocable Permit 24-14
2. Site Map

FIS Approval: JS
CA Approval: SO

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APPROVED:

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