



DATE: JUNE 29, 2022

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIVE-YEAR REVIEW
OF REVOCABLE PERMIT NO. 98-17 WITH NICK GUGLIELMO

SUMMARY:

Staff requests approval of the continuation of Revocable Permit (RP) No. 98-17 with Nick Guglielmo for property located at Harbor Blvd. and 22nd Street, San Pedro, pursuant to the City of Los Angeles Harbor Department (Harbor Department) practice for five-year review by the Board of Harbor Commissioners for continuation or modification of RPs. Nick Guglielmo currently pays rent of approximately \$2.54 per square foot of unimproved land annually, \$526.00 monthly (\$6,312.00 per year) to the Harbor Department. Effective July 1, 2022, rent will increase to \$729.32 per month, and effective January 1, 2023, monthly rent will increase to \$932.63, or \$4.50 per square foot (\$11,191.56 annually). On July 1, 2023 and each July 1 thereafter, annual rent will increase by the change in Consumer Price Index (CPI).

Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis under the existing RP, which will be updated with a new RP consistent with the 2011 Board-approved RP template.

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(14) of the Los Angeles City CEQA Guidelines;
2. Approve the continuation of Revocable Permit No. 98-17 with Nick Guglielmo; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department's practice is for RPs to be subject to Board action in open session to continue or modify under the current entitlement every five years. This is the first five-year review for RP No. 98-17, which is under the threshold of \$150,000 per year in Harbor Department revenue. Therefore, compensation resets and other modifications fall under Executive Director authority and do not require further Board action beyond this confirmation of review every five years.

SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 98-17

Under RP No. 98-17, Nick Guglielmo stores commercial fishing gear and supplies on 2,487 square feet of land located north of the surplus parking lot at Sampson Way and 22nd Street in San Pedro. The effective date of the RP is November 15, 1998. The tenant is in good standing and pays monthly rent of \$526.00 (\$6,312.00 per year) to the Harbor Department. The last compensation reset was in 2016. The current annual rent includes annual CPI increases.

Staff recommends the RP to continue as a short-term entitlement because the premises are expected to be required for the future Harbor Boulevard improvement project. This action would result in neither use changes nor facility changes. Staff intends to update the permit consistent with the 2011 Board-approved RP template. Effective July 1, 2022, compensation will increase to \$729.32 per month, and effective January 1, 2023, monthly rent will increase to \$932.63, or \$4.50 per square foot (\$11,191.56 annually). On July 1, 2023 and each July 1 thereafter, annual rent will increase by CPI.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the continuation of RP No. 98-17, which is an activity involving the renewal of any permit to use an existing facility involving negligible or no expansion of use. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis under the existing RP, which will be updated consistent with the 2011 Board-approved RP template. Rent will continue to be adjusted annually by CPI.

Annual rent is currently \$526.00 per month, or \$6,312.00 per year. Under the proposed action, monthly rent will increase to \$729.32 per month effective July 1, 2022, and it will increase to \$932.63 per month, or \$11,191.56 on an annualized basis, effective January 1, 2023. Effective January 1, 2023, the proposed rent of \$932.63 per month (\$11,191.56, as annualized) would represent an increase of \$406.63, or 77.3 percent relative to current monthly rent of \$526.00.

Effective July 1, 2023 and each July 1 thereafter, annual rent will increase by CPI.

Annual rent effective January 1, 2023 will be \$11,191.56, an increase of \$4,879.56, as follows:

Tenant	Entitlement	Annual Rent		
		CY 2021	Proposed	\$ Increase
Nick Guglielmo	RP 98-17	\$6,312.00	\$11,191.56	\$4,879.56

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CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed action and finds no legal issues at this time.

FIS Approval: MB
CA Approval: SO

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