



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MAY 23, 2012

FROM: REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE SUBLEASE BY PORTS O' CALL RESTAURANT CORPORATION TO JSTINIM, INC. OF A PORTION OF THE PREMISES HELD UNDER LEASE NO. 305-3

SUMMARY:

Lease Nos. 305-2 and 305-3 grant Ports O' Call Restaurant Corporation (POCRC) use of City of Los Angeles Harbor Department (Harbor Department) property for a period of 40.5 years (commencing on July 1, 1974 and ending on December 31, 2014) for the operation of a mixed-use retail/restaurant complex, which encompasses the following establishments: Acapulco Restaurant, Fisherman's Seafood Restaurant, San Pedro Marina, the Asian Village, and Crusty Crab Fish Market and Restaurant.

Staff requests approval of the sublease between POCRC and JSTINIM, Inc. for an upscale restaurant establishment serving "American-style" seafood cuisine. The sublease is for a portion of the premises held under POCRC's Lease No. 305-3, formerly sublet to Simon's Waterfront Restaurant (Simon's) which ceased operations in October 2011. The sublease is co-terminus with the expiration of Lease Nos. 305-2 and 305-3 on December 31, 2014.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the proposed sublease by Ports O' Call Restaurant Corporation to JSTINIM, Inc.;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the proposed sublease; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – Lease Nos. 305-1, 305-2, and 305-3 with POCRC, covering approximately 15.7 acres of land and water, became effective on July 1, 1974 for the development and operation of a mixed use retail/restaurant complex called Ports O' Call Village. The term was for 40.5 years. Since 1976, there have been numerous Board actions involving such matters as approvals and assignments of subleases, compensation readjustments, etc.

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The premises under Lease Nos. 305-2 and 305-3 include Acapulco Restaurant, Fisherman's Seafood Restaurant and San Pedro Marina, Asian Village/Pan Pacific Village, Crusty Crab Fish Market Restaurant, and until October 2011, Simon's, which ceased to operate due to bankruptcy.

Section 14 of Lease No. 305-3 between the Harbor Department and POCRC provides that no sublease of the property may be issued without the approval of the Board. POCRC proposes to sublease the former Simon's premises to JSTINIM, Inc. for the operation of an upscale "American-style" seafood restaurant (Transmittal 2). JSTINIM, Inc. is a recently formed California corporation whose principals Sam Cho and Sung Cho are the operators of the Asian Village/Pan Pacific Village, the property adjacent to the subject premises. The sublease (Transmittal 1) is for a short-term period of two-and-a-half years, which is co-terminus with the expiration of Lease Nos. 305-2 and 305-3 on December 31, 2014. At this time, the Request for Qualifications is being prepared for the Ports O' Call Village redevelopment and scheduled for release in the coming months.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a sublease by POCRC to JSTINIM for the operation of a restaurant in an existing facility at Ports O' Call Village. As an activity involving the issuance of a lease to use an existing facility involving negligible or no expansion of use, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment effect.

FINANCIAL IMPACT:

Compensation payable to the Harbor Department will not be affected with the approval of the proposed sublease between POCRC and JSTINIM, Inc. POCRC will continue to pay the greater of the established percentage rent or the minimum annual guarantee of \$552,000 per year. POCRC has consistently paid the minimum annual guarantee for the past five years.

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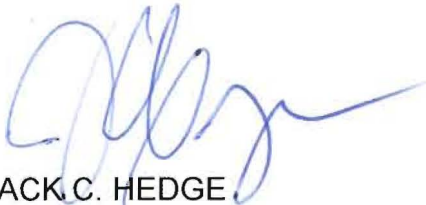
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CITY ATTORNEY:

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

TRANSMITTALS:

1. Sublease to JSTINIM, Inc.
2. Site Map

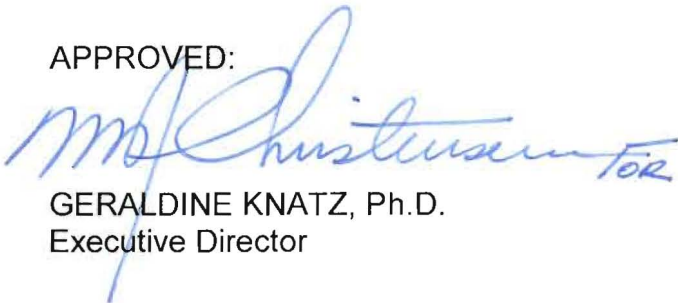


JACK C. HEDGE
Director of Real Estate

FIS Approval: ef (initials)
CA Approval: DM (initials)

FOR 
KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

JH:RG:RV:raw
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BL413raw JSTINIM Sublease