



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 29, 2019

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE REVOCABLE PERMIT
 WITH FISHERMAN'S PRIDE PROCESSORS INC.**

SUMMARY:

Staff requests approval of the proposed Revocable Permit with Fisherman's Pride Processor's Inc. dba Neptune Foods (Fisherman's Pride) for a term of six months to occupy 16,275 square feet (sf) of paved yard space and 38,690 sf of warehouse in Fish Harbor on Terminal Island, which will yield \$115,794 in revenue to the City of Los Angeles Harbor Department (Harbor Department) over the six-month term.

RECOMMENDATION:

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

1. Consider the Addendum to the previously adopted Final Initial Study/Mitigated Negative Declaration for the Fisherman's Pride Processors Inc. Project;
2. Find that, in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15164, the proposed Revocable Permit will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed in the adopted Final Initial Study/Mitigated Negative Declaration for the Fisherman's Pride Processor's Inc. Project;
3. Authorize the Environmental Management Division to file a Notice of Determination with the Los Angeles County Clerk and the Los Angeles City Clerk;
4. Approve the Revocable Permit with Fisherman's Pride Processor's Inc.;

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5. Authorize the Executive Director to execute and the Board Secretary to attest to the Revocable Permit; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background – Fisherman's Pride operates a fish processing facility at the former Chicken of the Sea (COTS) facility in Fish Harbor under Permit No. 905. The Permit, which took effect in 2014, covers a portion of the former COTS facility, for a ten-year term with two, five-year options. The proposed Revocable Permit would provide additional, adjacent space to supplement the premises covered under Permit 905. The short-term duration of the Revocable Permit will provide staff the required time to evaluate Fisherman's Pride's long-term plans for the site, subject to environmental review, which includes potential expansion to make use of the entire former COTS facility.

The Harbor Department previously granted additional premises on a temporary basis via Space Assignments to augment Permit 905, with a maximum term of 12 months. The 12-month term for the latest Space Assignment expired on September 26, 2019. Staff recommends that this former Space Assignment be replaced with the proposed Revocable Permit to allow Fisherman's Pride to continue to operate while the parties discuss and memorialize long-term plans for the site. Notwithstanding the effective date upon approval by the Harbor Board of Commissioners, all terms and conditions of RP 19-13 will apply and govern Tenant's use and occupancy of the Premises as of September 27, 2019.

If the parties reach an agreement regarding this development opportunity, the premises covered under the proposed Revocable Permit would fold into Permit 905 by amendment, subject to approval by the Board.

Past Performance – Over the past year, the Harbor Department has experienced the following issues with this tenant: encroachment on Harbor Department property; unpermitted building modifications; and delinquent rent. Fisherman's Pride has since corrected the violations and is a tenant in good standing.

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Material terms of the Revocable Permit are as follows:

<u>Provisions</u>	<u>Description</u>
Use	Storage of packaging products and equipment
Term	Six months
Early Termination	Either party may terminate with 30 days' notice
Start Date	Start date is retroactive to September 27, 2019
Premises	38,690 square feet, warehouse space <u>16,275</u> square feet, paved land
Total	54,965 square feet
Compensation Rate ¹	Rent to be paid on a monthly basis \$0.36 per square foot per month – warehouse \$0.33 per square foot per month – yard space
Monthly Rent	Warehouse \$13,928 Yard space <u>\$5,371</u> Total \$19,299
Maintenance	Tenant is responsible for maintaining the premises and all improvements, at its sole cost and expense
Insurance	Insurance provision includes all standard insurance requirements
Security Deposit	\$38,598 (2 months' rent)
Notes:	¹ Rate for yard space is based on receiving Board required 10% return on a land value of \$39.60 per square foot, which is consistent with current values for the area. The rate for warehouse is consistent with the rate set forth in the Tariff.

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ENVIRONMENTAL ASSESSMENT:

On November 5, 2019, the Harbor Department will issue the Addendum to the 2014 Fisherman's Pride Processors Inc. Final IS/MND (Transmittal 2) ("2014 IS/MND") and posted it at <https://www.portoflosangeles.org/environment/environmental-documents>. The Addendum was prepared pursuant to CEQA and revises the Project description by changes to the premises boundaries occupied by Fisherman's Pride, by adding space beyond the Permit 905 premises, with new RP space into the adjacent building areas on the site that are no longer eligible for the California Register of Historic Places (CRHR) under any criterion, as documented in the 2019 Final Historical Re-Evaluation of the Cannery Block (Addendum – Appendix) (formerly Chicken of the Sea) conducted by Margaret Roderick, Architectural Historian, ICF (the "ICF Historical Re-Evaluation").

On February 6, 2014, the Board certified the 2014 IS/MND which analyzed Fisherman's Pride Permit 905 premises for seafood processing activities, with a term of ten years with two, five-year extension options. The revised proposed Project in the Addendum adds the issuance of a Revocable Permit to occupy approximately 55,000 sf of property for six months, to be used for seafood packaging and equipment storage with no alterations of the premises buildings allowed.

According to Section 15164(b) of the state CEQA Guidelines, the Lead Agency may prepare an Addendum to an adopted negative declaration "if only minor technical changes or additions are necessary, or none of the conditions described in Section 15162 calling for a subsequent EIR or negative declaration have occurred." The Director of the Environmental Management Division has determined that none of the conditions set forth in CEQA Guidelines Section 15162 have occurred; therefore, an addendum is the appropriate document. An Addendum does not need to be circulated for public review but can be included in or attached to the adopted negative declaration. The Board is required to "consider" the Addendum with the adopted negative declaration prior to making a decision on the Project. CEQA Guidelines Section 15164 (c) and (d).

The proposed action is approval of a Revocable Permit (Transmittal 3) with Fisherman's Pride for a term of six months for the use of product packaging and storage of equipment in Fish Harbor (proposed project), with no premises alterations allowed. Based on the findings of the Addendum, the proposed RP action will not add any new significant environmental impacts or increase severity of any significant impacts previously analyzed in the 2014 IS/MND and therefore does not trigger any of the conditions calling for the preparation of a subsequent negative declaration under CEQA Guidelines Section 15162. With no new impacts or increased severity of environmental impacts, no mitigation is necessary.

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FINANCIAL IMPACT:

The attached Board report requests approval of a Revocable Permit with Fisherman's Pride for a term of six months to occupy 38,690 sf of warehouse space and 16,275 sf of paved yard space in Fish Harbor on Terminal Island. The proposed Revocable Permit will generate \$115,794 over the six-month term.

CITY ATTORNEY:

The Revocable Permit has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Addendum – Appendix
3. Revocable Permit

FIS Approval: 

CA Approval: 

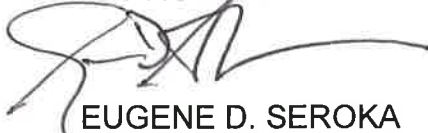


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APPROVED:



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