



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 12, 2025

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE PERMIT NO. 968
WITH LOS ANGELES COUNTY FLOOD CONTROL DISTRICT**

SUMMARY:

Staff requests approval of Permit No. 968 (Permit) with the Los Angeles County Flood Control District (LA County Flood) concerning use of City of Los Angeles Harbor Department (Harbor Department) property for purposes of operating and maintaining a storm drain pipeline located near the West Basin at Berth 132, at the southeast corner of John S. Gibson Blvd. and Harry Bridges Blvd. in Wilmington, California.

Approval of the proposed Permit will increase annual rent from \$0.00 currently to \$17,151.75 as proposed. Rent will increase thereafter by the year-over-year change in the Consumer Price Index (CPI), subject to a floor of three percent.

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 Permit No. 968 with the Los Angeles County Flood Control District;
3. Direct the Board Secretary to transmit Permit No. 968 to the City Council for approval pursuant to Section 606 of the Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Permit No. 968 upon approval by City Council; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background – The proposed Permit will supersede Order No. 2560, an existing permit, for the same general area in use by LA County Flood for operating and maintaining a storm drain pipeline across subsurface land located at Berth 132 near the southeast corner of John S. Gibson Blvd. and Harry Bridges Blvd in Wilmington, California

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(Transmittal 1). The new Permit is necessary for LA County Flood to continue providing a vital outlet for stormwater runoff serving neighboring communities in Los Angeles County. Order No. 2560 is on de-facto holdover, i.e. the parties have been continuing to operate under the same terms of Order No. 2560 following the natural expiration date. Negotiations for the successor Permit were protracted due to Los Angeles County's internal approval process.

The storm drain infrastructure has a wide service area covering various jurisdictions. While rent was not charged in the past, the current Harbor Department leasing policy is to charge rent to other public agencies for utility facilities on Harbor Department land.

Proposed Permit - Below are the material terms of the proposed Permit (Transmittal 2):

<u>Provisions</u>	<u>Description</u>						
Real Estate Entitlement	Term Permit						
Effective Date	Upon approval by City Council and execution by the Executive Director						
Permitted Use	Use, occupancy, operation and maintenance of a subsurface storm water drain system and appurtenant structures with rights of ingress and egress as needed to reconstruct, repair, operate and maintain the system and structures.						
Term	30 years						
Holdover Provision	Month to month with rent adjustment equal to the greater of: (i) 150% of rent for the last month of the term; or (ii) 150% of fair market rent.						
Extension Options	None						
Premises	Total Subsurface and Submerged Land Area: 8,405 sf						
Rent	<table><thead><tr><th><u>Period</u></th><th><u>Annual Rent</u></th></tr></thead><tbody><tr><td>Effective Date</td><td>\$17,151.75</td></tr><tr><td>Annually thereafter</td><td>CPI, subject to a floor of 3%</td></tr></tbody></table>	<u>Period</u>	<u>Annual Rent</u>	Effective Date	\$17,151.75	Annually thereafter	CPI, subject to a floor of 3%
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Effective Date	\$17,151.75						
Annually thereafter	CPI, subject to a floor of 3%						

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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, plus environmental impairment liability insurance coverage in the amount of \$5 million per occurrence.
Security Deposit	Two months' rent = \$2,859
Restoration and Surrender of Premises	LA County Flood is responsible for restoring the premises at the expiration or earlier termination of the permit.
Environmental Compliance Requirements	Environmental laws; environmental policies, rules and directives of the Harbor Department; and local, state and federal permits issued to LA County Flood including Regional Phase I MS4 NPDES Permit No. CAS004004, Order R4-2021-0105.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Permit with LA County Flood, which is the issuance of a 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(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Permit will increase annual rent from \$0.00 currently, to \$17,151.75 as proposed. Upon the anniversary of the Effective Date, and annually thereafter, rent will increase by the year-over-year change in the CPI, subject to a floor of three percent.

CITY ATTORNEY:

Proposed Permit No. 968 has been reviewed and approved as to form and legality by the Office of the City Attorney.

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TRANSMITTALS:

1. Site Map
2. Permit 968

FIS Approval: 95
CA Approval: 50

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Director of Cargo & Industrial Real Estate

Michael DiBernardo
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APPROVED:

Erica M. Calhoun for

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EDS:MD:MK:KH:db

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