

DATE: NOVEMBER 2, 2022

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE FIRST AMENDMENT TO REVOCABLE PERMIT (LICENSE TO USE AND OCCUPY) NO. 2021-001 WITH HARBOR BREEZE CORP.

SUMMARY:

Staff requests approval of the proposed First Amendment to Revocable Permit (License to Use and Occupy) No. 2021-001 (Permit 2021-001) with Harbor Breeze Corp. (Harbor Breeze), a commercial charter vessel passenger operation located at Berth 85 at the Downtown Harbor in San Pedro. Permit 2021-001 has a three-year term that commenced on September 27, 2021. The City of Los Angeles Harbor Department (Harbor Department) reserves the right to cancel all or a portion of the Permit upon 90 days' written notice.

The proposed First Amendment will expand Harbor Breeze's premises to include the southern dock at Berth 84. Given that Harbor Breeze will continue to utilize its premises on a non-exclusive, first-come basis, approval of the proposed Amendment will not have any financial impact on the Harbor Department.

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(18)(b) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Revocable Permit (License to Use and Occupy) No. 2021-001 with Harbor Breeze Corp.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Revocable Permit (License to Use and Occupy) No. 2021-001; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background – Permit 2021-001 grants Harbor Breeze the non-exclusive right to use the three northern docks and four southern docks at Berth 85 of the Downtown Harbor for the operation of chartered commercial passenger vessels serving prescheduled tour groups. No advertising, scheduling, collection of money, or any other activities other than the loading and unloading of passengers and supplies are permitted.

Harbor Breeze provides the Harbor Department a monthly schedule, subject to the Director of Waterfront and Commercial Real Estate (Director) or designee's approval for weekdays, weekends, and holidays. The Director or designee reserves the absolute right to deny any such requests for authorization at his or her sole discretion upon 24 hours' written notice to Harbor Breeze.

Use of the premises is non-exclusive and on a first-come basis. If the northern docks are fully occupied, Harbor Breeze may use the four southern docks of the Downtown Harbor as necessary, and also on a non-exclusive, first-come basis. Harbor Breeze's use of the four southern docks is only permissible when the northern docks are fully occupied by other vessels.

Harbor Breeze's vessels may not arrive at, or remain at, the premises other than during the time each vessel is actively loading or unloading passengers and/or supplies. Harbor Breeze shall remove all trash and debris from the premises and the adjacent areas immediately after each use of the premises.

Harbor Breeze offers a variety of tours that will promote the LA Waterfront as a tourist destination and increase revenue to the Harbor Department and within the local community.

Proposed First Amendment – The proposed First Amendment (Transmittal 1) will expand Harbor Breeze's premises by 4,400 square feet of land and water to incorporate the southern dock at Berth 84 (Transmittal 2, Parcel No. 2). The current layout and positioning of the Berth 85 docks make it very difficult for Harbor Breeze to dock their larger vessels, in a safe manner. This expansion will allow Harbor Breeze to dock their larger vessels such as the Sir Winston at the Berth 84 docks when weather constraints impose safety concerns at the Berth 85 docks.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed First Amendment to Permit 2021-001 with Harbor Breeze for the addition of the southern dock at Berth 84 for commercial charter vessel passenger operations, which is an activity involving the amendments of an entitlement granting use of a municipal wharf involving negligible or no expansion of use beyond that previously existing or permitted. 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(18)(b) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed First Amendment will expand the premises covered under Permit 2021-001 to include Berth 84 and enable Harbor Breeze to dock vessels in the event that safe berthing availability within its existing premises is limited. Given that use of both Berth 84 and Berth 85 will continue to be on a non-exclusive and first-come basis, staff does not anticipate any incremental costs to be incurred by the Harbor Department if the proposed Amendment is approved. Staff continues to estimate that gross receipts under Permit 2021-001 will be \$190,000 per year, of which 7 percent, or \$13,300, would be paid to the Harbor Department as annual compensation.

CITY ATTORNEY:

The proposed First Amendment to Revocable Permit (License to Use and Occupy) No. 2021-001 has been reviewed and approved as to form and legality by The Office of the City Attorney.

TRANSMITTALS:

1. First Amendment
2. Site Map

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront and Commercial Real Estate

FIS Approval: *JS*
CA Approval: *SO*
Antonio Lillo
for MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

ES:MD:MG:HP:MS:jt
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