



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 14, 2023

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF REVOCABLE LICENSE NO. 2023-10 WITH HARBOR BREEZE CORPORATION

SUMMARY:

Staff requests approval of the proposed Revocable License No. 2023-10 (License) with Harbor Breeze Corp. (Harbor Breeze) to use and occupy 65,620 square feet of property at Berth 85 in San Pedro. Harbor Breeze will use the site for commercial charter vessel passenger operations, which includes tours on behalf of the City of Los Angeles Harbor Department (Harbor Department) and those not sponsored by the Harbor Department. Premises shall be used on a non-exclusive basis for the berthing and docking of prescheduled tour groups. The proposed License is subject to cancellation by the Harbor Department or Harbor Breeze upon 90 days' written notice. Under the proposed License, Harbor Breeze will be required to pay compensation to the Harbor Department based on seven percent of gross receipts for all activities except dinner cruises, which will be charged five 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 (18)(b) of the Los Angeles City CEQA Guide;
2. Approve proposed Revocable License No. 2023-10 with Harbor Breeze Corp.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Revocable License No. 2023-10; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – The Downtown Harbor is part of the Harbor Department's effort to promote the L.A. Waterfront as a district of cultural, institutional, and educational uses. To complement these facilities, additional berthing was constructed at Berths 84 and 85.

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Since the completion of the Downtown Harbor in June 2014, the docks at Berths 84 and 85 have been underutilized and are primarily used for Harbor Department-commissioned boat tours and events such as Tall Ships, Holiday Parade, and movie nights. Small recreational vessels occasionally dock for free for no more than four (4) hours, as permitted by the Tariff. The Waterfront and Commercial Real Estate Division (WCRED) has also issued short-term permits to various civic and non-profit groups who requested docking longer than the permitted time. Harbor Breeze is currently using dock space at Berth 85 under Revocable Permit 2021-001, which will terminate upon this License becoming effective.

The proposed License will help to promote and activate the L.A. Waterfront through an increase in visitors.

Revocable License – The proposed License (Transmittal 1) grants Harbor Breeze the non-exclusive right to use docks at Berth 85 in the Downtown Harbor (Transmittal 2) for the operation of chartered commercial passenger vessels serving prescheduled tour groups. Permissible types of tours include, but are not limited to, harbor tours, whale watching tours, dolphin and sea life tours, education tours, weddings, corporate events, holiday parties, memorials at sea, water taxi services and dinner cruises. Sport fishing tours are not permissible. Harbor Breeze shall directly operate all tours except for dinner cruises, which may be operated by a third party. No advertising, scheduling, collection of money, or any other activities other than the loading and unloading of passengers and supplies are permitted. The vessels only authorized to use premises for tours on behalf of the City include:

- M/V Caroline
- M/V Harbor King
- M/V Kristina
- M/V Christopher
- M/V Karin Lynn
- M/V La Espada
- M/V Triumphant

Vessels only authorized to use Premises not sponsored by the City include:

- M/V Christopher
- M/V Karin Lynn
- M/V La Espada
- M/V Triumphant

Harbor Breeze will provide a schedule of charters five business days before each intended use, subject to approval by 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.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of Revocable License No. 2023-10 with Harbor Breeze Corp. to allow temporary use of Berth 85 on a non-exclusive basis, which is an issuance of berth or space assignment for a municipal wharf. 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.

FINANCIAL IMPACT:

Under the proposed Revocable License, Harbor Breeze will be required to pay compensation to the Harbor Department equal to five percent of dinner cruise gross receipts and seven percent of all other gross receipts earned from commercial charter vessel operations at Berth 85. Under the previous Revocable Permit 2021-001, Harbor Breeze paid annual compensation in Fiscal Years 2022 and 2023 of \$5,074 and \$31,301 respectively. Under the proposed Revocable License, staff anticipates total compensation to remain at levels similar to those earned under the prior entitlement.

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved the proposed Revocable License No. 2023-10 as to form and legality.

TRANSMITTALS:

1. Revocable License No. 2023-10
2. Site Map

FIS Approval: *MB*
CA Approval: *SO*

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MICHAEL J. GALVIN
Director of Waterfront and Commercial Real Estate

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APPROVED:

Marla Bleavins For
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Executive Director

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