



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

Board of Harbor Commissioners

DATE: MAY 10, 2023

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - FIVE-YEAR REVIEW OF REVOCABLE PERMIT NO. 1006 WITH MARINE SHEET METAL WORKS

SUMMARY:

Staff requests approval of the continuation of a revocable permit for Premises located at 813 South Seaside Avenue, Terminal Island, for the purposes of operating a marine machine and sheet metal shop. Subject to Board of Harbor Commissioners approval, staff would issue a new revocable permit to Marine Sheet Metal Works that would serve as the successor to RP 1006, which has been in place since 1968. Under this new revocable permit, monthly revenue to the City of Los Angeles Harbor Department (Harbor Department) would be \$1,562.88, subject to annual Consumer Price Index (CPI) increases of no less than three percent annually from July 1, 2024.

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 the continuation of Marine Sheet Metal Works use and occupancy of City of Los Angeles Harbor Department property; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Board reviews revocable permits in five-year intervals for continuation or modification. This action constitutes a five-year review for the current Revocable Permit No. 1006 with Marine Sheet Metal Works, which took effect on April 1, 1968. Marine Sheet Metal Works uses and occupies 4,224 square feet of shed located at 813 South Seaside Avenue, Terminal Island (Transmittal 1), for the purposes of operating a marine machine and sheet metal shop. More specifically, Marine Sheet Metal Works utilizes the premises to fabricate custom and unique safety components for the terminal equipment and commercial fishing fleets.

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Staff recommends the Harbor Department authorize the continuation of Marine Sheet Metal Works use and occupancy of Harbor Department property, subject to the following:
 i) issue a successor revocable permit using the most current revocable permit template;
 ii) increase rent to market rates, and include an annual CPI rent increase to take effect July 1, 2024.

Provided below is a summary of existing and proposed terms and staff’s evaluation of the Revocable Permit:

<u>Provision</u>	<u>Existing Revocable Permit</u>	<u>Proposed Replacement Revocable Permit</u>
Term	Month-to-month, subject to termination with 30 days’ prior notice	No change
Premises	4,224 sq. ft. shed located at 813 South Seaside Ave. Terminal Island, CA 90731	No change
Rent	\$1,259.47 per month \$.30 per sq. ft. per month	\$1,562.88 per month \$.37 per sq. ft. per month
Insurance	Standard insurance requirements	Standard insurance requirements, plus addition of environmental impairment liability insurance coverage in the amount of \$2,000,000 million per occurrence
Restoration Bond	None	Amount determined by Executive Director to assure restoration of premises.
Rent Adjustments	Upon giving at least 30 days’ written notice to tenant	i) Annual (CPI) increases of no less than 3% ii) Upon giving at least 30 days’ written notice to tenant

Staff confirmed that Marine Sheet Metal Works is a tenant in good standing in accordance with the Harbor Department’s leasing policy. Because the value of the proposed successor revocable permit will be less than \$150,000 per year, it would be issued under the Executive Director’s authority, subject to the Board approving this action.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the continuation of a revocable permit with Marine Sheet Metal Works for the operation of a marine machine and sheet metal shop, which is the issuance of a permit to use an existing facility involving negligible or no expansion of use. Therefore, the Director of Environmental Management 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 action would result in monthly rent increasing by \$303.41, or 24.1 percent, from \$1,259.47 currently to \$1,562.88 per month as proposed. Effective July 1, 2024 and each year thereafter, rent would increase by the greater of 3 percent or the annual change in CPI.

CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed successor Revocable Permit and the recommended action raises no legal issues at this time.

TRANSMITTAL:

1. Site Map

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Director of Cargo & Industrial Real Estate

APPROVED:

Marla Bleavins For
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Executive Director

FIS Approval: MB
CA Approval: SO

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