



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 4, 2019

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF NEW JOINT REVOCABLE PERMIT NO. 19-08 AND MEMORANDUM OF AGREEMENT AMONG MARQUEZ PRODUCE INC. AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND PORT OF LONG BEACH AS JOINT OWNERS

SUMMARY:

Staff requests approval of new Joint Revocable Permit (JRP) No. 19-08 and Memorandum of Agreement (MOA) among Marquez Produce Inc. (Marquez) and the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB), as joint owners, for the maintenance and operation of subsurface utility facilities in the City of Vernon.

The initial rent payable is \$16,000.00 per year, with annual adjustment based on the Consumer Price Index, All Urban Consumers, Los Angeles All Items (CPI).

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 administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Section 15301 of the State CEQA Guidelines;
2. Approve Joint Revocable Permit No. 19-08 among Marquez Produce Inc. and the City of Los Angeles Harbor Department and Port of Long Beach, as joint owners;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Joint Revocable Permit No. 19-08;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Memorandum of Agreement; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background - On December 22, 1994, the Harbor Department and POLB jointly purchased properties as part of the Alameda Corridor construction project. The properties are located along the former Southern Pacific Railroad (SPRR) and Union

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Pacific Railroad (UPRR) right-of-way (ROW) within the County of Los Angeles. The railroad properties are held by the Harbor Department and POLB as tenants in common, with each holding an undivided 50 percent interest in the property. In addition, the Harbor Department and POLB became successors-in-interest to all railroad agreements, leases, and licenses, related to the acquired railroad ROW.

The JRP (Transmittal 1) encompasses eight subsurface utility facilities, which includes a: 12" Storm Drain; 6" Sanitary Sewer; 2" Domestic Water; 8" Fire Water; 4" Conduit for AT&T (multi-conductor copper pair); 4" Conduit empty (for future City of Vernon Fiber-Optic); 5" Conduit for the city of Vernon electric (three 15kV lines); and 5" Conduit empty (reserved for future use).

All facilities are subject to compensation. In addition, since the utility facilities will be placed on jointly-owned land and may continue to service the property for an extended period, the need for a permit could easily outlast Marquez's use of the property. Therefore, an MOA will be recorded with the Los Angeles County Recorder's office to put future buyers on notice.

Memorandum of Agreement – This MOA (Transmittal 2) states that there is a JRP in place with both POLA and POLB and there is an annual permit fee associated with it. The purpose of this MOA is to put any future buyer on notice if the property is sold to other parties. The MOA is required to be recorded in order for the proposed JRP to be in effect.

JRP General Terms and Conditions:

Use: Maintenance and operations of subsurface utility facilities and related improvements.

Premises: The location map is included in the JRP and covers eight facilities located at 2155 E. 14th Street, Los Angeles, CA (Transmittal 3).

Terms: The JRP will be effective upon recordation of the MOA with the Los Angeles County Recorder's office, and revocable upon 60 days written notice by any party.

Compensation: The minimum annual permit fee is established at \$2,000 per year per facility. For this JRP, the initial annual compensation will be \$16,000 per year, adjusted annually thereafter by CPI. The Harbor Department's share will be 50 percent of the total compensation.

Maintenance: Permittee, at its sole cost, shall keep and maintain the permit area and the eight facilities thereon during its use and occupancy thereof.

Insurance: Insurance requirements include all standard insurance requirements for a JRP.

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Special Condition

Section 26: The facilities will not be constructed or used as contemplated herein unless and until an at-grade crossing at 25th Street has been approved by California Public Utility Commission (CPUC), the City of Vernon, and the UPRR.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a proposed Joint Revocable Permit No. 19-08 among Marquez Produce Inc. and the Port of Los Angeles and the Port of Long Beach, as joint owners, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Section 15301 of the State CEQA Guidelines.

FINANCIAL IMPACT:

The Harbor Department's proportionate revenue share of the proposed JRP will result in \$8,000.00 in annual rent in the first year. A CPI adjustment will be applied annually thereafter.


CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Joint Revocable Permits as to form and legality.


TRANSMITTALS:

- 1. Joint Revocable Permit No. 19-08
- 2. Memorandum of Agreement
- 3. Site Map

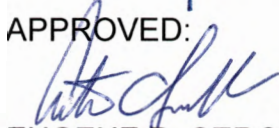
FIS Approval: 

CA Approval: 


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APPROVED:


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