



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 11, 2022**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE REVOCABLE PERMIT NO.  
22-03 WITH SAN PEDRO BAIT CO.**

**SUMMARY:**

Staff requests approval of Revocable Permit No. 22-03 (RP No. 22-03) with San Pedro Bait Co. (San Pedro Bait) for a month-to-month term to occupy 6,255 square feet of paved land to be used for barge maintenance and storage on Ways Street, Terminal Island. San Pedro Bait supplies bait to fishermen within the Port of Los Angeles. Under this RP, San Pedro Bait will be relocated from its current premises on Wharf Street under Revocable Permit No. 15-12 to a new location on Ways Street. RP No. 22-03 will yield \$24,081.75 in revenue to the City of Los Angeles Harbor Department (Harbor Department) in the first year, with annual Consumer Price Index (CPI) adjustments of no less than three percent thereafter.

**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 4(7) of the Los Angeles City CEQA Guidelines;
2. Approve Revocable Permit No. 22-03 with San Pedro Bait Co.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 22-03 upon approval by the Board; and
4. Adopt Resolution No. \_\_\_\_\_

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**DISCUSSION:**

Background – Since 2008, San Pedro Bait has utilized bait barges to operate a bait sales establishment which sells to fishing vessels at the Port of Los Angeles. The Board reviews revocable permits in five-year intervals for continuation or modification. This action constitutes the first five-year review for RP No.15-12. The action to confirm continuation of the revocable permit requires Board approval as set forth in this report. San Pedro Bait currently operates under two different entitlements:

- 1) Revocable Permit No. 15-12 (RP No. 15-12), for premises on Wharf Street, which encompasses 6,250 square feet of paved land to be used for barge maintenance and storage; and
- 2) Revocable Permit No. 17-03, a month-to-month permit for premises in the outer Harbor comprised of 4,775 square feet of water (barge mooring).

Current Action - Replacement of Revocable Permit No. 15-12 – Staff determined that the location of San Pedro Bait’s current premises conflicts with the Harbor Department’s ability to assemble a larger opportunity site in the future at 198 Cannery Street. As such, under this action, staff recommends relocating San Pedro Bait’s premises to an alternate and more suitable location. The replacement premises will be a slightly larger parcel (6,255 square feet) at the former Pan Pacific Cannery location at 998 South Ways Street, Terminal Island, CA (See Transmittal No. 1).

In order to allow the relocation to the new site for San Pedro Bait’s occupancy, a rent credit will be provided in the first month (30 days) to allow relocation of San Pedro Bait’s equipment and dunnage from their current Wharf Street location, while also running their business. One month’s rent will be reimbursed by the Harbor Department in the form of a rent credit; the rent credit will be applied to the first month’s rent due under the new RP.

Proposed Rent – San Pedro Bait’s rent will increase to the latest Tariff No. 4 paved land rate of \$0.35/sf/month, which represents a 3.1 percent increase from current rent. Rent during the first year will be \$24,081.75, which staff confirmed represents market value for this parcel. The relocation is expected to take no more than 30 days, and due to the aforementioned rent credit, no rent will be due during the initial thirty (30) days of the RP. Should San Pedro Bait fail to relocate within the 30-day window period, rent would be charged for both locations until the premises for RP No. 15-12 are vacated.

Material terms of the Revocable Permit (Transmittal 2) are as follows:

<u>Provisions</u>	<u>Description</u>
Real Estate Entitlement	Revocable Permit
Permitted Use	Barge maintenance and storage

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Term	Month-to-Month
Termination Rights	Either party may terminate with 30 days' prior written notice.
Premises	Parcel 1: 6,255 SF (Paved Land)
Initial Monthly Rent	\$ 2,189.25
CPI Adjustment	Effective July 1 <sup>st</sup> of the year following the effective date of the permit, and annually thereafter.  CPI Adjustment of no less than three percent, or actual, whichever is higher. In no case will increase be less than 1 cent per month per square foot.
Rent Credit	Tenant will receive a rent credit in the amount of \$2,189.25 towards the first month's rent to allow for relocation.
Maintenance	Tenant is responsible for maintaining the premises and all improvements, at its sole cost and expense.
Insurance	Includes all standard insurance provisions and requirements.
Security Deposit	\$4,378.50 (2 months' rent).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of RP 22-03 with San Pedro Bait for a month-to-month term to occupy land for barge maintenance and storage, which is an activity involving the issuance of any lease, license or permit to use land involving minor alterations to the conditions of the land. 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 4(7) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed RP No. 22-03 will enable San Pedro Bait to occupy 6,255 square feet of paved land on a month-to-month basis and will generate annual rent of \$24,081.75 in the first year net of the rent credit of \$2,189.25, and \$27,059.13 in year 2. Annual CPI increases will be no less than three percent. Total increase in compensation is 3.1 percent, or an additional \$802.08 annually from the compensation paid currently under RP No. 15-12. Potential revenue over the five-year term will be no less than \$137,287.06 after rent credits have been applied.

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**CITY ATTORNEY:**

Proposed Revocable Permit No. 22-03 has been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

1. Site Map
2. Revocable Permit No. 22-03

FIS Approval: *MB*  
CA Approval: *JC*

*Marisa L. Katnich*  
MARISA L. KATNICH  
Director, Cargo & Industrial Real Estate

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APPROVED:

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EUGENE D. SEROKA  
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