



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

DATE: MARCH 17, 2020

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE PERMIT
NO. 947 WITH CERTI-FRESH FOODS, INC.**

SUMMARY:

Staff requests approval of the proposed Permit No. 947 (P-947) with Certi-Fresh Foods, Inc. (Certi-Fresh), a California Corporation, for use and occupancy of Stall 9 at the San Pedro Municipal Fish Market (Municipal Fish Market). Certi-Fresh will be utilizing Stall 9 for the processing of wet-fish products and wholesale fish and seafood sales.

Annual rent is \$54,528.00, paid monthly at \$4,544.00 and subject to annual Consumer Price Index (CPI) increases. The term of P-947 will be for seven years with two, one-year options to extend the agreement, for a total of nine years. Certi-Fresh plans on investing a minimum of \$100,000 worth of upgrades to the stall, including refrigeration units, freezer units, and office infrastructure.

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 requirement of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines;
2. Approve Permit No. 947 with Certi-Fresh Foods, Inc.;
3. Direct the Board Secretary to transmit Permit No. 947 to City Council for approval pursuant to Charter Section 606 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Permit No. 947 upon approval by City Council; and
5. Adopt Resolution No. _____

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DISCUSSION:

Background – The San Pedro Municipal Fish Market was built in 1951 at Berth 72 and is a two-story, 12-stall industrial building, with a truck loading dock and an adjacent common public parking area. Permits at the Municipal Fish Market allow tenants to unload, process wet-fish, and conduct related activities; however, no retail sales are allowed. The premises is attached as Transmittal 1. The proposed P-947 is attached as Transmittal No. 2.

The City of Los Angeles Harbor Department (Harbor Department) Waterfront and Commercial Real Estate Division (WCRED) released a Request for Proposal (RFP) on September 12, 2018. The RFP solicited the public to submit proposals for the lease of Stall 9 at the Municipal Fish Market. Two applicants submitted proposals. The evaluation committee determined that the proposal submitted by Certi-Fresh was the most responsive and had the highest combined score. Certi-Fresh's proposal included handling of wet fish and wholesale fish sales with a focus on processing California caught squid. Staff recommends entering into a new permit with Certi-Fresh based on the terms summarized below.

Summary of Significant Permit Terms:

Provisions	Description
Permitted Use	Unloading of wet-fish products from commercial fishing vessels, the processing and loading of wet-fish products, wholesale fish and seafood sales, and storage of materials related to the fishing industry.
Term	7 years, with two consecutive one-year options to extend.
Early Termination Clause	Early termination by City is allowed at the sole discretion of the Executive Director after the two-year anniversary of the Effective Date, by giving a 180 day written notice to Tenant.
Premises	6,400 square feet of warehouse and office space Nonexclusive use of 35,070 square feet of common areas
Compensation	Annual rent of \$54,528.00 (\$4,544.00 per month), which is based on a market value of \$8.52 per square foot. The market rental rate is based on a value that was established for all long term permits for stalls at the Municipal Fish Market. Rent is to be paid on a monthly basis.
Rental Adjustments	1. Annual CPI-U adjustment 2. Five-year rental rate adjustment
Security Deposit	\$9,088.00 (2 months' rent), in cash or letter of credit
Maintenance and Repair	Certi-Fresh shall be responsible for all maintenance and repair of Stall 9, except for the roof.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of proposed Permit No. 947 with Certi-Fresh Foods, Inc. for use and occupancy of a stall at the San Pedro Municipal Fish Market, which is an activity involving the issuance of a permit to use an existing structure involving negligible or no expansion of use. 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(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Under P-947, monthly compensation is \$4,544.00. Approval of P-947 will result in the Harbor Department receiving \$54,528.00 in annual rent. Thereafter, compensation shall be annually adjusted by CPI, and in no event shall compensation decrease. Annual rent under the proposed P-947 conforms to the Harbor Department's Leasing Policy.

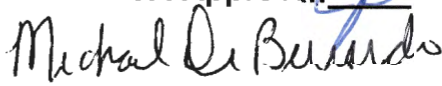
CITY ATTORNEY:

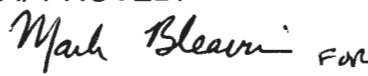
P-947 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

- 1. Site Map
- 2. Permit No. 947


 MICHAEL J. GALVIN
 Director, Waterfront & Commercial Real Estate

FIS Approval: MB
 CA Approval: P

 MICHAEL DiBERNARDO
 Deputy Executive Director

APPROVED:

 EUGENE D. SEROKA
 Executive Director

EDS:MG:HP:KK:MS:ds
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