



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 28, 2018

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE SECOND AMENDMENT
TO PERMIT NO. 892 WITH TRI-MARINE FISH COMPANY, LLC**

SUMMARY:

Staff requests approval of the Second Amendment to Permit No. 892 (P892) between the City of Los Angeles Harbor Department (Harbor Department) and Tri-Marine Fish Company, LLC (Tri-Marine). The proposed Second Amendment will clarify the effective date of the First Amendment to P892 to be November 6, 2017 and allow for the assignment of P892.

Under P892, Tri-Marine has been entitled to use and occupy a total area of approximately 248,350 square feet comprised of paved land, warehouse space and office space on Terminal Island as a wet fish processing facility.

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 proposed Second Amendment to Permit No. 892 with Tri-Marine Fish Company, LLC;
3. Direct the Board Secretary to transmit the Second Amendment to Permit No. 892 to the City Council for approval pursuant to Charter Section 606;
4. Authorize the Executive Director to execute and the Board Secretary attest to the Second Amendment to Permit No. 892 upon approval by City Council; and
5. Adopt Resolution No. _____.

SUBJECT: SECOND AMENDMENT TO PERMIT NO. 892 WITH TRI-MARINE FISH COMPANY, LLC

DISCUSSION:

Background – Tri-Marine was founded in 1972, as an Italian government owned tuna supplier based in Singapore. The firm was acquired by its present management in 1986. Tri-Marine’s business activities include fishing, trading, processing and marketing with offices and operations globally. They have been a tenant of the Harbor Department under various entitlements since 1997. On January 6, 2011, the Board granted a successor permit (P892) to Tri-Marine for continued use of waterfront property at Berth 264 on Terminal Island for a wet fish processing operation. P892 was amended for the first time on November 6, 2017, resulting in an increase in premises and a resetting of compensation. Recently, Tri-Marine approached the Harbor Department requesting a clarification of the commencement date under the First Amendment and for the right to assign P892 to an acquiring company. The current permit does not allow for assignments.

Major Provisions within the Second Amendment (Transmittal 2) to P892

Term – The proposed Second Amendment to P892 amends Section 3(b) of the Permit by clarifying the commencement date of the First Amendment as November 6, 2017 for a term of 20 years from that date.

Assignment, Transfer and Subletting; City’s Consent Required – The proposed Second Amendment to P892 deletes Section 10 in its entirety and replaces it with a new Section 10 entitled “Assignment, Transfer and Subletting; City’s Consent Required”. The new section provides for the transfer or assignment of the Permit with the prior written consent of the City.

Should the proposed Second Amendment to P892 not be approved, it would preclude the proposed sale of the business. Tri-Marine’s Board of Directors has made the decision to exit the fish processing business and if Tri-Marine is unable to sell the business, they will close the facility, resulting in a potential loss of \$432,000 annual rent to the Harbor Department and 75 living wage jobs.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to Permit No. 892, which is an issuance, renewal, or amendment of a lease, license, or permit to use an existing structure or facility 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:

Approval of the Second Amendment to P892 will result in no change to the tenant’s financial obligations under P892.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved this Second Amendment as to form and legality.

TRANSMITTALS:

1. Site Map
2. Second Amendment



JACK C. HEDGE
Director of Cargo & Industrial Real Estate

APPROVED:
 FOR
EUGENE D. SEROKA
Executive Director

ES:MD:JH:ST:TP:raw
Author: Tom Patton
BL764raw Tri Marine 2nd Amendment

FIS Approval: 
CA Approval: 

FOR MICHAEL DiBERNARDO
Deputy Executive Director