



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

DATE: APRIL 16, 2026

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF REVOCABLE PERMIT
NO. 25-20 WITH SO. CAL. SHIP SERVICES, LLC**

SUMMARY:

Staff requests approval of Revocable Permit No. 25-20 with So. Cal. Ship Services, LLC (SoCal Ship) concerning the use and occupancy of City of Los Angeles Harbor Department (Harbor Department) property located at 971 S. Seaside Ave, in San Pedro, for purposes of operating an employee parking lot, and storage of equipment and maritime related dunnage.

Revocable Permit No. 25-20, along with a companion item (Permit No. 967), would serve as the successors to three existing entitlements with SoCal Ship for the same locations and permitted uses.

Approval of the proposed action will generate monthly rent of \$15,470.32 (\$185,643.84 annually). Beginning on July 1, 2026, and annually thereafter, rent increases will be applied based on the year-over-year change in the Consumer Price Index (CPI), subject to a floor of three percent.

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 and has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(3) and Article II Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Approve Revocable Permit No. 25-20 with So. Cal. Ship Services, LLC;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 25-20; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background - SoCal Ship has used and occupied Harbor Department property located at 971 Seaside Avenue (Transmittal 1) since 2001 for the purpose of providing water taxi services, general warehousing, storage, parking, and oil spill response and containment services. There are currently three agreements in place governing SoCal Ship’s use and occupancy of Harbor Department property:

- Permit No. 830, currently on holdover status (75,212 sq. ft. of land, and 30,005 sq. ft. of water);
- Revocable Permit No. 22-08 (16,737 sq. ft. of land, and 83,325 sq. ft. of water); and
- Revocable Permit No. 22-01 (50,311 sq. ft. of land).

The three current agreements would be terminated in favor of proposed Revocable Permit No. 25-20 described herein and the companion item, concerning Permit No. 967. A revocable permit is a more appropriate entitlement for the premises, as it preserves Harbor Department flexibility in the planning efforts for the adjacent Southwest Marine site.

Proposed Successor Revocable Permit - SoCal Ship is a tenant in good standing. Staff recommends the Board approve Revocable Permit No. 25-20, which will take effect upon execution.

Provided below is a summary of material terms of the entitlement (Transmittal 2):

<u>Provision</u>	<u>Revocable Permit</u>
Term	Effective upon execution. Month-to-month, subject to termination with 90 days’ prior notice.
Permitted Use	For the operation of an employee parking lot and storage of equipment and maritime related dunnage and other uses incidental thereto.
Premises	Premises comprised of 40,333 sq. ft. of land.
Compensation	\$15,470.32 per month \$185,643.84 per year
Rent adjustments	Annual Rent Adjustment of the >3% or CPI, effective July 1, 2026, and annually thereafter.
Maintenance and Utilities	City has no maintenance obligations.

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Restoration at Expiration	Tenant is responsible for restoring the premises, including all environmentally regulated material not depicted in the baseline report, which is an attachment to the Revocable Permit.
Insurance	Standard insurance requirements as approved by Risk Management.
Security Deposit	Three months' rent in the form of cash or letter of credit.
Environmental	Tenant must comply with: <ul style="list-style-type: none"> • Land Use Covenant and Agreement (approved by the Board on October 17, 2024). • All local, state, and federal air quality requirements.
Assignment / Transfers	No transfers permitted.
Termination of Existing Revocable Permit	Approval of the proposed action would authorize concurrent termination of SoCal Ship's existing Revocable Permit No. 22-01.

Staff confirmed that the negotiated rate is consistent with market values for comparable properties.

	Proposed
Rent Per Year	\$185,643.84 ¹
Rate per Square Foot Per Year (40,333 sq. ft. paved with Land Use Restriction)	~\$4.60 ²

¹ Subject to annual CPI increases per permit

² Consistent with current rate

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Revocable Permit No. 25-20, which is an activity involving the operation of an existing parking lot and an activity for which the underlying project has been previously assessed in the So Cal Ship Services Initial Study/ Mitigated Negative Declaration (SCH# 2018061043), which was certified by the Board on September 6, 2018, and Addendum considered by the Board on June 18, 2020. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA under Article III Class 1(3) and Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of Revocable Permit No. 25-20 and its companion item (Permit No. 967) will replace SoCal Ship's existing Permit No. 830, currently on holdover status, and Revocable Permit Nos. 22-08 and 22-01.

Effective upon execution, rent under Revocable Permit No. 25-20 will be \$15,470.32 per month (\$185,643.84 annually). Effective July 1, 2026, and annually thereafter, rent will be increased by the greater of three percent or the annual change in CPI.

Currently, SoCal Ship is paying \$627,043.20 annually for the three aforementioned agreements. Under the two new proposed entitlements, SoCal Ship will pay annual rent of \$878,404.08, which represents a 40 percent aggregate increase between the three old and two new agreements. This increase is due to increases in rental rates and a nominal increase in premises size.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved proposed Revocable Permit No. 25-20 as to form and legality.

TRANSMITTALS:

1. Site Map
2. Revocable Permit No. 25-20

FIS Approval: JS
CA Approval: SO

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