



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 30, 2022

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIVE-YEAR REVIEW
OF REVOCABLE PERMIT NO. 14-15 WITH PORTS AMERICA CRUISE,
INC.**

SUMMARY:

Staff requests approval of the continuation of Revocable Permit (RP) No. 14-15 with Ports America Cruise, Inc., pursuant to the City of Los Angeles Harbor Department (Harbor Department) practice for five-year review by the Board of Harbor Commissioners (Board) for continuation or modification of RPs. Ports America Cruise, Inc. leases 4,100 square feet of storage space at Berth 93, 100 Swinford Street, San Pedro, for the storage, maintenance, and repair of stevedoring equipment. Ports America Cruise, Inc., pays rent of \$1,964.58 per month (\$23,574.96 per year) to the Harbor Department. Rent is based on an estimated market value of approximately \$5.75 per square foot annually for warehouse storage space. The last compensation reset was August 2022.

Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

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 continuation of Revocable Permit No. 14-15 with Ports America Cruise, Inc.; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Harbor Department's practice is for RPs to be subject to Board action in open session to continue or modify terms under the current entitlement every five years. This is the first five-year review for RP No. 14-15, which is under the threshold of \$150,000 per year in Harbor Department revenue. Therefore, compensation resets and other modifications fall under Executive Director authority and do not require further Board action beyond this confirmation of review every five years.

SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 14-15

Under RP No. 14-15, Ports America Cruise, Inc., stores, maintains, and repairs stevedoring equipment including forklifts, and pallet jacks in 4,100 square feet of storage space within the Port of Los Angeles at Berth 93. The effective date of the permit is October 1, 2014. The permit is consistent with the 2011 Board-approved revocable permit template. The Tenant is in good standing. Ports America Cruise, Inc., pays a monthly rent of \$1,964.58 (\$23,574.96 per year) to the Harbor Department. The last compensation reset was August 2022.

Staff requests approval to continue the tenancy under an RP, because Ports America Cruise, Inc. assists in providing the Cruise Industry numerous benefits on behalf of the Harbor Department such as guest services, passenger check-in services, as well as supporting vessel needs. Furthermore, this space is located within the World Cruise Center Building, making it difficult to market and rent for purposes not related to the cruise industry, and this RP provides consistent monthly revenue for the Harbor Department. This action would result in neither use changes nor facility changes.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the continuation of RP No. 14-15, which is an activity involving the issuance, renewal or amendment of any 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 proposed action will entitle the tenant to continue business operations on a month-to-month basis. Rent will continue be automatically adjusted annually by CPI.

Tenant	Entitlement	Rent	
		Annual	Monthly
Ports America Cruise, Inc.	RP 14-15	\$23,574.96	\$1,964.58

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CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed action and finds no legal issues at this time.

FIS Approval: MB
CA Approval: SO

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APPROVED:

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BL970jt Ports America Cruise Inc. Five-Year Review