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THE PORT 
OF LOS ANGELES

September 2, 2021

**Everglades Company Terminal
Proposed Term Permit No. 953**

Today's Action



- Premises: Berths 121-127 (container terminal)
- Current tenant: Yang Ming Line - expires October 10, 2021
- Current action arises from solicitation which followed proper contracting procedures
- Proposed Permit No. 953 with Everglades Company Terminal, (subsidiary of TIL and MSC)
- Project benefits:
 1. Maintains cargo handling capacity
 2. Preserves direct and indirect jobs
 3. Facilitates continuation of cargo operations at the site
 4. Facilitates Department's ability to fulfill trustee duties
 5. Maintains revenue source valued at ~\$26 million

The Solicitation



- Staff developed a RFP to procure a new permit; prudent step given no agreement with current tenant for continued occupancy, and implications of terminal potentially going dark
- RFP's scope and guaranteed rent is a continuation of existing operations for a three-year term, included a requirement for a shipping line affiliation
- Solicitation released on June 1, for period of 30 days, two proposals received, judiciously reviewed and evaluated
- Everglades satisfied the RFP requirements, scored the highest, and is recommended for approval, with companion guaranty from TIL
- Everglades, through TIL, has strong financial wherewithal, capable of satisfying all obligations under the Permit

Material Terms of Permit No 953

| | Description |
|---|---|
| Premises | <ul style="list-style-type: none">– Backland: 159.57 acre, wharf: 2,000.13 linear feet– On-dock rail facility: 23.61 acres– Administration building: 22,358 square feet plus parking area |
| Term | <ul style="list-style-type: none">– Three Years |
| Rent | <ul style="list-style-type: none">– Greater of MAG (\$156,528/acre) or TEU Charges– Fixed rent for on-dock rail facility (\$45,000/acre) and for office space (\$137,412/Year) |
| Rent Adjustments | <ol style="list-style-type: none">1. Annual 3% increases to MAG and on-dock rail rent2. Any increase to Merchandise NOS applies to MAG and TEU rates |
| Environmental Operating Conditions | <ol style="list-style-type: none">1. Equipment conditions2. Clean Truck Program3. AMP |
| Standard Provisions | <ul style="list-style-type: none">– Maintenance– Insurance– Security Deposit (3X monthly rent)– Restoration |
| Guaranty | <ul style="list-style-type: none">– TIL to irrevocably guarantee all obligations |

Recommendation

Staff recommends the Board make the findings outlined in the board report and approve the proposed Permit No. 953 with Everglades Company Terminal and guaranty furnished by TIL

