



**DATE:** OCTOBER 31, 2023

**FROM:** CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - APPROVE FIRST AMENDMENT TO REVOCABLE PERMIT NO. 21-14 WITH MORTIMER & WALLACE, LLC.

**SUMMARY:**

Staff requests approval of the First Amendment to Revocable Permit No. 21-14 (RP 21-14) with Mortimer & Wallace, LLC. (M&W), for the modification of language in “Section 3. Effective and Termination Dates” of the agreement. The proposed Amendment will remove RP 21-14’s current expiration date of December 15, 2023, and enable RP 21-14 to continue on a month-to-month basis, subject to termination upon 30 days’ written notice. Other material terms of RP 21-14 will remain unchanged. M&W will continue paying monthly rent of \$8,820.70 with annual increases based upon the greater of 2 percent or the change in the Consumer Price Index (CPI) effective July 1 until a successor entitlement is executed.

**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 First Amendment to Revocable Permit No. 21-14 with Mortimer & Wallace, LLC.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to the Revocable Permit; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Under RP 21-14, M&W has the right to use and occupy Harbor Department property located near 2422 E. Sepulveda Boulevard in Wilmington, described as 26,840

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square feet of land (Transmittal 1). M&W has used and occupied this site since December 16, 2021, and is using the site for the operation of a drayage yard, including unstacked storage of chassis, stacked storage of containers of no more than two high, and temporary storage of unloaded tractor trailers. M&W has requested to continue their tenancy at this site beyond December 15, 2023. M&W uses and occupies adjacent Harbor Department property under separate revocable permits which are slated to be consolidated in the near future.

Other than the extension of the expiration date, there are no other changes to the material terms of the RP previously approved by the Harbor Department in December 2021.

M&W is a tenant in good standing in accordance with the Harbor Department's Leasing Policy. As such, staff recommends the Board authorize the continuation of the use, consistent with the terms below.

Below is a summary of the amendment terms:

<u>Provisions</u>	<u>Currently</u>	<u>Proposed</u>
Section 3. "Effective and Termination Dates"	"This Permit shall be effective on the date it is executed by Executive Director ("Effective Date") and shall thereafter be effective for a period not to exceed twenty-four (24) months, subject to the ability of Tenant or Executive Director to revoke this Permit at any time during such term upon the giving of at least thirty (30) days' written notice..."	"This Revocable Permit ("Permit") shall be effective upon execution by the Executive Director ("Effective Date") and shall thereafter be revocable at any time by Tenant or by Executive Director, upon the giving of at least thirty (30) days' written notice..."

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the First Amendment to Revocable Permit No. 21-14 with Mortimer & Wallace, which is an activity to amend an existing permit 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.

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**FINANCIAL IMPACT:**

The proposed Amendment will remove RP 21-14's current expiration date of December 15, 2023, and enable RP 21-14 to be revocable upon 30 days' written notice. As of October 1, 2023, M&W pays rent of \$8,820.70 per month under RP 21-14 with annual increases based upon the greater of 2 percent or the change in CPI effective July 1. M&W will continue paying rent under RP 21-14 until a successor entitlement is executed.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed First Amendment to Revocable Permit No. 21-14 as to form and legality.

**TRANSMITTALS:**

1. Project Site Map
2. Revocable Permit 21-14
3. First Amendment

FIS Approval: MB  
CA Approval: SO

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APPROVED:

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