



Executive Director's

Report to the

Board of Harbor Commissioners

**DATE: FEBRUARY 10, 2026**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIRST AMENDMENT TO PERMIT NO. 952 WITH INNOVATIVE TERMINAL SERVICES, INC.**

**SUMMARY:**

Staff requests approval of the First Amendment to Permit No. 952 (P952) with Innovative Terminal Services, Inc. (Innovative) to extend the term for an additional five years. Innovative occupies approximately 716,046 square feet (sq. ft.) of City of Los Angeles Harbor Department (Harbor Department) property located at 690 New Dock Street for the operation of a chassis depot. The proposed amendment would extend P952 for a term of five years and 19 days, effective April 12, 2026.

Approval of the proposed amendment would also adjust rent to account for current market rates. Annual rent would increase from \$3,225,667.28 to \$3,522,365.41 in the first year due to market rates. Beginning July 1, 2027, the permit would be subject to annual rent adjustments equal to the greater of two percent or the year-over-year change in the Consumer Price Index (CPI).

**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 has been previously assessed and is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) and Article III Class 1(14) and 1(18(d)) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Permit No. 952 with Innovative Terminal Services, Inc.;
3. Direct the Board Secretary to transmit the First Amendment to Permit No. 952 to the City Council for approval pursuant to Section 606 of the City Charter;
4. Authorize the Executive Director to execute, and the Board Secretary to attest to, the First Amendment to Permit No. 952; and
5. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – Under P952, expiring on April 11, 2026, Innovative has the right to use and occupy approximately 716,046 sq. ft. of Harbor Department property located at 690 New Dock Street for the operation of a chassis depot (start-stop facility). Innovative has operated at similar sites on Terminal Island under various entitlements since approximately July 2016. The premises under P952 would remain substantially the same. This renewal would incorporate market rates with annual rent increases, and the permitted use would remain unchanged.

Staff evaluated the annual rent for P952 and confirmed it to be below market value for similar properties. Under the proposed amendment, annual rent would increase to market value from \$3,225,667.28 to \$3,522,365.41 in the first year, reflecting an increase in paved rents from \$4.64 to \$5.07 per sq. ft. per year. Total revenue for the Harbor Department is expected to be approximately \$18 million throughout the term of the permit.

Proposed First Amendment to P952 – Innovative is a tenant in good standing. Staff recommends that the Board approve this amendment to maintain this important service and to keep the property revenue-producing for maritime purposes. Additionally, staff has negotiated a rent increase of 9.2 percent due to increased rates, resulting in annual revenue of \$3,522,365.41 in the first year.

Staff proposes to issue a first amendment for P952 for a five-year renewal, which will allow Innovative to continue to use and occupy Harbor Department property under current market rates with annual rent increases.

Provided below are the proposed material terms of the First Amendment to P952, which have been agreed to by Innovative:

<b>Provisions</b>	<b>Amendment to P952</b>
Tenant	Innovative Terminal Services, Inc.
Effective Date	April 12, 2021
Expiration Date	April 30, 2031
Termination Rights	Mutual termination rights with 180 days' written notice
Premises (See Transmittal 1)	690 New Dock Street: 716,046 SF (16.44 acres)
Permitted Use	Cargo support, including but not limited to, off-terminal marine chassis depot, including storage, maintenance, repairs,

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	staging, start/stop and other incidental purposes to the operations of a chassis depot
Initial Monthly Rent	\$293,530.45
Rent Adjustments	Beginning July 1, 2027, annual increases of the greater of 2% or CPI
Security Deposit	Three times the monthly rent
Environmental Review	Includes all standard environmental requirements

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of an amendment to Permit No. 952 with Innovative Terminal Services, Inc., which is an activity for which the underlying project has been previously assessed in the Addendum to the Final Initial Study/ Negative Declaration for the Innovative New Dock Chassis Depot Project (SCH# 2020090061), which was considered by the Board on March 18, 2021, and the Final Initial Study/Negative Declaration for the Innovative New Dock Chassis Depot Project (SCH# 2020090061), which was certified by the Board on November 5, 2020. This action is also the amendment of a permit to an existing facility involving negligible or no expansion of use and the amendment of any permit involving negligible or no expansion of use, including storage areas for domestic shipment-receipt and foreign import-export commodities. Therefore, the Director of Environmental Management has determined that the proposed action is previously assessed and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(i) and Article III Class 1(14) and 1(18(d)) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Effective upon execution, annual rent under P952 will increase total rent paid by Innovative from \$3,225,667.28 to \$3,522,365.41 in the first year, representing a 9.2 percent increase, as proposed. Effective July 1, 2027, and annually thereafter, rent will be increased by the greater of two percent or the annual change in CPI.

<b>Time Period</b>	<b>Current</b>	<b>Proposed</b>	<b>% Change</b>
Monthly	\$268,805.61	\$293,530.45	9.2%
Annual	\$3,225,667.28	\$3,522,365.41	9.2%

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed First Amendment to Permit No. 952 as to form and legality.

**TRANSMITTALS:**

1. P952 Site Map
2. First Amendment to P952

*Marisa L. Katnich*  
MARISA L. KATNICH  
Director, Cargo & Industrial Real Estate

FIS Approval: *JJ*  
CA Approval: *JC*

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

EDS:MD:MK:TK:JJ  
Author: Jocs Juarez  
BL1107db