



**DATE: MAY 4, 2021**

**FROM: WATERFRONT AND COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIVE-YEAR REVIEW  
OF REVOCABLE PERMIT NO. 95-32 WITH JOE UTOVAC**

**SUMMARY:**

Staff requests approval of the continuation of Revocable Permit (RP) No. 95-32 with Joe Utovac for property located at Sampson Way and Berth 73, San Pedro, 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.

Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis under RP No. 95-32. Short-term use for this RP is necessary, as it will be transferred into the new West Harbor development project in the near future. This action would result in neither use changes nor facility changes. However, annual Consumer Price Index (CPI) increases, which had been halted with the 2018 rent reduction, will be resumed effective July 1, 2021.

**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 continuation of Revocable Permit No. 95-32 with Joe Utovac; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

**Background** – Harbor Department practice is for RPs to be subject to Board action in open session to continue or modify under the current entitlement every five years. This is the first five-year review for RP No. 95-32, 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. 95-32**

RP No. 95-32 – Under RP No. 95-32, Joe Utovac operates the restaurant Utro’s in 2,393 square feet of building area located at Sampson Way and Berths 73 in San Pedro. The effective date of the RP is August 25, 1995. The tenant is in good standing, with \$22,068.00 of rent paid to the Harbor Department in calendar year 2020. The last compensation reset was April 1, 2016. Effective 2018, rent was reduced by 25 percent and annual CPI increases were halted due to impacts resulting from redevelopment activities at the former Ports O’ Call site. The current annual rent is \$9.22 per square foot of premises building area.

Staff requests approval to continue the tenancy under an RP. Short-term use for this is necessary, as it will be transferred into the new West Harbor development project in the near future. This action would result in neither use changes nor facility changes. However, annual CPI increases, which had been halted with the 2018 rent reduction, will be resumed effective July 1, 2021.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the continuation of RP No. 95-32 with Joe Utovac, 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 under RP No. 95-32. Annual CPI increases, which had been halted with the 2018 rent reduction, will be resumed.

Assuming a 2 percent CPI, if the proposed action is approved, staff anticipates that annual rent will increase by \$441.36 as follows:

Tenant	Entitlement	Annual Rent		
		CY 2020	Proposed	\$ Increase
Joe Utovac	RP 95-32	\$22,068.00	\$22,509.36	\$441.36

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SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 95-32

**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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Director of Waterfront & Commercial Real Estate

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APPROVED:

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