



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 1, 2022

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIVE-YEAR REVIEW
OF REVOCABLE PERMIT NO. 13-07 WITH GTR, INC.**

SUMMARY:

Staff requests approval of the continuation of Revocable Permit (RP) No. 13-07 with GTR, 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. GTR, Inc. leases 12,699 square feet of warehouse space within Warehouse 1, at the rear of Berth 68 in San Pedro, for the storage of materials and supplies associated with the Tenant's fuel solvent business. GTR, Inc. pays rent of \$10,860.16 per month (\$130,321.92 per year) to the Harbor Department. Rent is based on an estimated market value of approximately \$10.26 per square foot annually for warehouse storage space. The last compensation reset was 2019.

Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis at current rates until the next CPI adjustment effective July 2023.

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. 13-07 with GTR, Inc.; 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 terms under a current entitlement every five years. This is the first five-year review for RP No. 13-07, 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. 13-07

Under RP No. 13-07, GTR, Inc., stores materials and supplies associated with the Tenant’s fuel solvent business in 12,699 square feet of warehouse space within Municipal Warehouse No.1, located at the rear of Berth 68 in San Pedro. The effective date of the permit is June 24, 2014. The permit is consistent with the 2011 Board-approved revocable permit template. The Tenant is in good standing and pays a monthly rent of \$10,860.16 (\$130,321.92 per year) to the Harbor Department. The last compensation reset was 2019. The current annual rent includes annual CPI increases.

GTR, Inc. utilizes five bays at Warehouse No. 1 on a month-to-month RP which provides consistent monthly revenue to the Harbor Department while the warehouse is not otherwise in use. Staff requests approval to continue the tenancy under the RP so that the Harbor Department may continue receiving monthly rent. Furthermore, the month-to-month short term entitlement can be terminated at any point should the warehouse be needed for other purposes. This action would result in neither use changes nor facility changes.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the continuation of RP No. 13-07, 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 to be automatically adjusted annually by CPI.

Tenant	Entitlement	Rent	
		Annual	Monthly
GTR, Inc.	RP 13-07	\$130,321.92	\$10,860.16

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CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board Report and the recommended action raises no legal issues at this time.

FIS Approval: *MB*
CA Approval: SO

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MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

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Deputy Executive Director

APPROVED:

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BL968ss GTR Inc. Five Year RP13-07 Review