



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: AUGUST 19, 2020

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE SECOND
AMENDMENT TO PERMIT NO. 930 WITH THE JANKOVICH COMPANY**

SUMMARY:

Staff requests the rescission of the May 7, 2020, Resolution No. 20-9638 by the Board of Harbor Commissioners, which approved the Second Amendment to Permit No. 930 with The Jankovich Company (Jankovich) due to errors in the staff report and the amendment. Staff requests the approval of the corrected Second Amendment to Permit No. 930 with Jankovich for the use of City of Los Angeles Harbor Department (Harbor Department) property. The proposed Second Amendment will: 1) delete the Berth 51 barge premises from the Permit No. 930 premises, 2) grant Jankovich a Nonexclusive Berthing Assignment (NEBA) to use Berth 73B for barge operations, and 3) obligate Jankovich to maintain the roof of the Canetti's building. The Harbor Department will have the right to request Jankovich to vacate the Berth 73B premises at their cost with 180 days' written notice.

The deletion of the Berth 51 premises and granting Jankovich a NEBA to use Berth 73B will result in an increase in annual rent of \$7,296.19 under Permit No. 930. Furthermore, Jankovich has agreed to maintain the Canetti's building roof.

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) and Class 1(18)(b) of the Los Angeles City CEQA Guidelines;
2. Rescind the May 7, 2020 Resolution No. 20-9638, which approved the Second Amendment to Permit No. 930 with The Jankovich Company;
3. Approve the Second Amendment to the Permit No. 930 with The Jankovich Company;
4. Direct the Board Secretary to transmit the Second Amendment to the City Council for approval pursuant to Charter Sections 606;
5. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment upon approval by the City Council; and
6. Adopt Resolution No. _____.

SUBJECT: SECOND AMENDMENT TO PERMIT NO. 930 WITH THE JANKOVICH COMPANY

DISCUSSION:

Background - Jankovich currently has the right to occupy and use Harbor Department property located at Berth 51, Berth 73A, and the Canetti's building to operate a marine fueling station under Permit No. 930. Jankovich also has the right to operate at Berth 74 under Revocable Permit (RP) No. 12-11. Permit No. 930 was granted to allow Jankovich to move its operations from Berth 74 to Berth 73A due to the development of the San Pedro Public Market at the current Ports O' Call site. In December 2019, Jankovich commenced full operations at Berth 73A and at the Canetti's building as the only marine fueling station in the Port of Los Angeles providing all types of marine fuels and lubricants to commercial, recreational, and fishing vessels, as well as bunker fueling services to larger vessels.

To increase the efficiency of operations, Jankovich requested that the Harbor Department authorize temporary berthing of five barges at Berth 73B (Transmittal 1). Staff has come to a tentative agreement to accommodate Jankovich's request and amend Permit No. 930 accordingly (Transmittal 2). Jankovich agreed to maintain the roof of the Canetti's building (owned by the Harbor Department) at their cost (estimated at a \$25,000 cost over the course of the potential 20-year term) in consideration of the Harbor Department increasing the Berth 73A premise to include Berth 73B and appropriate water area for berthing of barges. The Harbor Department will have the right to request Jankovich to relocate the Berth 73B premises at their cost with 180 days' written notice, should the Harbor Department's use or needs change. The Berth 51 barge premise will be deleted from the Permit No. 930 premises.

The total annual rent will increase by \$7,296.19, from \$290,401.89 to \$297,698.08, as total square footage of the premises increases from 128,735 to 129,959 square feet. The additional premises at Berth 73B will be offset by removal of almost similar square footage at Berth 51. The 100 feet by 450 feet water area in front of Berth 73B will be entitled under Jankovich's annual NEBA (Transmittal 3).

The May 7, 2020, Board Resolution and accompanying draft amendment included errors in total square footages and total compensation. Parcel 12 square footage (12,600) was omitted from the total square footage referenced in the Board Resolution and draft amendment, but the square footage was included in the compensation calculations. Parcel 10 square footage (22,500 of water) was included in the Board Resolution and draft amendment but should not have been, as this parcel is charged separately and accounted for under a NEBA. Parcel 10's square footage was correctly not included in the previous compensation calculations, as this parcel is charged through the NEBA previously referenced. Parcel 11's compensation included a calculation error, which has now been corrected. The previous Board Resolution and amendment were drafted during the transition to telecommuting in March 2020 in which remote access to network files was not available, resulting in multiple files being used between home laptops and office network drives. These technical issues have been resolved, with staff having consistent access to office network files from remote office locations.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Second Amendment to Permit No. 930 between the Harbor Department and the Jankovich Company to allow barges to be docked at Berth 73B, instead of Berth 51, which is an activity involving an amendment to a permit granting use of an existing municipal wharf involving negligible use and/or alteration or modification of a municipal wharf or its operations beyond that previously permitted. 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) and Class 1(18)(b) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed Second Amendment to Permit No. 930 will: 1) delete the Berth 51 barge premises from the Permit No. 930 premises, 2) grant Jankovich a NEBA to use Berth 73B for barge operations, and 3) obligate Jankovich to maintain the roof of the Canetti's building. The deletion of the Berth 51 premises and granting to Jankovich of a NEBA to use Berth 73B will result in annual rent under Permit No. 930 increasing by \$7,296.19 per year. In addition, Jankovich has agreed to maintain the Canetti's building roof.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Second Amendment to Permit No. 930 as to form and legality.

TRANSMITTALS:

1. Site Map
2. Second Amendment
3. Compensation Calculation Work Sheet

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

FIS Approval: 
CA Approval: 
Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

EUGENE D. SEROKA
Executive Director

ES:MD:MG:HP:KK:raw
Author: Kevin Kim
BL831raw Jankovich 2nd Amend