



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

Board of Harbor Commissioners

DATE: AUGUST 4, 2021

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIVE-YEAR
REVIEW OF REVOCABLE PERMIT NO. 16-13 WITH ECO FLOW
TRANSPORTATION, LLC**

SUMMARY:

Staff requests approval of the continuation of Revocable Permit (RP) No. 16-13 with Eco Flow Transportation, LLC (Eco Flow) located at 300 Ferry Street on Terminal Island. Approval of the proposed action will entitle the tenant to continue business operations on a month-to-month basis, subject to an increase in monthly compensation from \$50,029.74 per month to \$70,102.80 per month, with annual Consumer Price Index (CPI-U) increases of no less than three percent thereafter.

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 generally and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 1 and Article III Class 1(14) of the Los Angeles City CEQA Guidelines;
2. Approve the continuation of Revocable Permit No. 16-13 with Eco Flow Transportation;
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Board reviews revocable permits in five-year intervals for continuation or modification. The effective date of the current permit was June 1, 2016. Under RP No. 16-13, Eco Flow operates a drayage yard on 187,308 square feet of paved land and 5,050 square feet of Class C office space in the former Custom House building complex located on Ferry Street. See Transmittal No. 1.

This action constitutes the first five-year review for RP No. 16-13. While the action to confirm continuation of the revocable permit requires Board action, resetting compensation does not; it may be authorized by the Executive Director pursuant to the terms of current RP No. 16-13. The tenant is in good standing, with \$602,222 paid to the City of Los Angeles Harbor Department in the past 12 months. Current rent is \$50,029.74 per month, with annual increases by uncapped CPI.

SUBJECT: FIVE-YEAR REVIEW OF REVOCABLE PERMIT NO. 16-13 WITH ECO FLOW TRANSPORTATION, LLC

Staff requests approval to continue the tenancy under the RP. There will be no changes to the amount of office space or paved land, nor any physical changes to the premises from the original configuration. Staff intends to reset compensation to market rent at \$0.35/sf/month for paved land (\$42.00/sf market value) and \$0.90/sf/month for Class C Office space (\$90.00/sf market value). The proposed monthly rent amounts to increases of 41 percent for paved land and 28.6 percent for office space, respectively, with the total net rent increase of 40.1 percent overall. New annual revenue will be \$841,233.60. Provided the RP is not sooner terminated, compensation would increase annually by the CPI of no less than three percent. In the event CPI is less than three percent, or the compensation increase is less than one cent per square foot per year, the Executive Director will increase the rent by way of a letter to account for the difference.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the continuation of RP No. 16-13 with Eco Flow, which is an activity where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and 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 generally and categorically exempt from the requirements of CEQA in accordance with Article II Section 1 and 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 pursuant to an updated RP consistent with the 2011 Board approved RP template and a reset of compensation to market rent of \$0.35/sf/month for paved land and \$0.90/sf/month for office space, totaling \$841,233.60 annually.

Staff anticipates that annual rent will increase from \$50,029.74 to \$70,102.80, or an additional \$20,073.06 rent per month as follows:

Rent Component	Square Feet	Current Monthly Rent	Proposed Monthly Rent	% increase From Current Rent
Paved Land	187,308	\$46,494.74	\$65,557.80	41.0%
Office Space (Class C)	5,050	\$3,535.00	\$4,545.00	28.6%
Total		\$50,029.74	\$70,102.80	40.1%

DATE: AUGUST 4,

PAGE 3 OF 3

SUBJECT: FIVE-YEAR REVIEW OF REVOCABLE PERMIT NO. 16-13 WITH ECO FLOW TRANSPORTATION, LLC

CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed action and finds no legal issues at this time.

TRANSMITTAL:

1. Site Map

FIS Approval MB
CA Approval: JS

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

Michael DiBernardo
MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

ES:MD:MK:PA:raw
Author: Paul Andre
BL896raw Eco Flow RP Review