

DATE: OCTOBER 5, 2022

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - ORDER APPROVING
 ASSIGNMENT OF PERMIT NO. 919 FROM H.S. SEAFOOD, INC. TO
 STANDARD FISHERIES CORP. DBA STANDARD FISH COMPANY**

SUMMARY:

Staff requests approval of the proposed Order assigning Permit No. 919 from H.S. Seafood, Inc. (HS Seafood) to Standard Fisheries Corp. dba Standard Fish Company (Standard Fish), a California corporation.

Permit No. 919 was granted to HS Seafood for a term of eight years, effective February 28, 2018. The permit entitles HS Seafood to the right to use City of Los Angeles Harbor Department (Harbor Department) Stall No. 4 at the Berth 72 Municipal Fish Market in San Pedro for unloading of wet-fish products from commercial fishing vessels, processing and loading of wet-fish products, wholesale fish and seafood sales, and storage of materials related to the fishing industry and for purposes incidental thereto. If the proposed Order is approved, Standard Fish will pay an assignment fee in the amount of \$18,829 to the Harbor Department and monthly rent of \$3,622.07 with Consumer Price Index increases occurring on March 1 each year.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed actions are administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Order assigning Permit No. 919 from H.S. Seafood, Inc. to Standard Fisheries Corp. dba Standard Fish Company, a California corporation.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Order assigning Permit No. 919 from H.S. Seafood, Inc. to Standard Fisheries Corp. dba Standard Fish Company, a California corporation; and
4. Adopt Resolution No. _____ and Order No. _____.

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DISCUSSION:

Background – Permit No. 919 was granted to HS Seafood for a term of eight years, effective February 28, 2018. The permit entitles HS Seafood the right to use Harbor Department property known as Stall No. 4 at the Berth 72 Municipal Fish Market in San Pedro for the unloading of wet-fish products from commercial fishing vessels, the processing, and loading of wet-fish products, wholesale fish and seafood sales, and storage of materials related to the fishing industry and for purposes incidental thereto.

HS Seafood has not paid rent since February 2020, coinciding with the start of the Covid-19 pandemic. The existing eviction moratorium in Los Angeles County pertaining to small businesses with less than 100 employees has not permitted any legal action to remove the existing tenant. A Settlement Agreement between HS Seafood and the Harbor Department for back rent in the amount of \$15,000 will be forwarded to the Executive Director for execution upon approval of the assignment Order by the Board, which will result in the remaining past due rent owed being waived. The Harbor Department would receive the settlement payment and forfeiture of the security deposit, totaling \$25,866 to offset the outstanding rent balance of \$87,113, and would begin receiving rent as soon as the assignment is approved.

On July 2, 2021, HS Seafood proposed to transfer Permit No. 919 to Erik Rosini, an individual. Subsequently, HS Seafood and Erik Rosini requested that the permit be assigned to Standard Fish due to its favorable financial strength. Erik Rosini is the president and CEO of Standard Fish and was a partner of Café International, with extensive experience operating commercial fishing and wholesale fish businesses.

The assignment of Permit No. 919 requires an assignment fee (Section 113.7). Standard Fish has agreed to pay the assignment fee of \$18,829.

Section 113.4 of Permit No. 919 outlines the factors germane to the Harbor Department's consent to the assignment. The Financial Planning & Analysis Division (FPA) has reviewed the finances of Standard Fish. Based on the information provided in the transfer notice, financial records, and other information previously reviewed during the due diligence process, FPA has determined that Standard Fish demonstrated the requisite experience, financial strength, and ability to assume Permit No. 919 and continue to operate the facility in the Port of Los Angeles.

Assignment of Permit No. 919 from HS Seafood to Standard Fish will result in the continuance of all operations allowed under the permit. In addition to a one-time assignment fee, the Harbor Department will continue to receive land rent under the assigned permit. The permit assignee will be solely responsible for all regulatory requirements and maintenance-related responsibilities.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed Order assigning Permit No. 919 from HS Seafood to Standard Fish, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed assignment of Permit No. 919 from HS Seafood to Standard Fish will result in the continuance of all operations allowed under the permits. In addition to a one-time assignment fee of \$18,829, the Harbor Department will continue to receive land rent in the amount of \$3,622.07 per month. The permit assignee will be solely responsible for all regulatory requirements and maintenance-related responsibilities.

CITY ATTORNEY:

The proposed Order assigning Permit No. 919 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Transfer Notices
3. FMD Review - Factors Germane To The City's Consent
4. Assignment Order

FIS Approval: MB
CA Approval: SO

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Director of Waterfront & Commercial Real Estate

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APPROVED:

Marla Bleairms For

EUGENE D. SEROKA
Executive Director

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