



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

Board of Harbor Commissioners

DATE: JANUARY 5, 2016

FROM: WATERFRONT AND COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - PROPOSED REVOCABLE
PERMIT NO. 15-22 WITH J. DELUCA FISH COMPANY, INC.

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) requests approval of Revocable Permit No. 15-22 (RP 15-22) with J. DeLuca Fish Company, Inc. (J. DeLuca) which will consolidate the permit premises under Revocable Permit No. 12-17 (RP 12-17) and Revocable Permit No. 12-12 (RP 12-12). RP 12-17 provides entitlement for J. DeLuca to occupy Stall 8 at the San Pedro Municipal Fish Market (Municipal Fish Market). Similarly RP 12-12 provided entitlements for State Fish Co., Inc. (State Fish) to occupy Stalls 1, 2, and 3.

As a result of the United States Bankruptcy Court proceedings, on August 15, 2015, J. DeLuca and State Fish entered into a settlement agreement whereby State Fish was required to assign, transfer, and grant J. DeLuca its facilities under RP 12-12.

The proposed RP 15-22 will consolidate the permit premises under RP 12-17 and RP 12-12 into one revocable permit with J. DeLuca, giving J. DeLuca four of the 12 stalls at the Municipal Fish Market. The proposed RP will not result in any changes to the standard terms and conditions.

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 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 proposed Revocable Permit No. 15-22 with J. DeLuca Fish Company, Inc.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 15-22; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – J. DeLuca and State Fish are tenants at the Municipal Fish Market located at Berth 72, a two-story, 12-stall industrial building with a truck loading dock and adjacent common public parking area (Transmittal 1). Revocable Permits at the Fish Market allow tenants to unload wet-fish from commercial fishing boats, process and transport wet-fish products, and conduct sale of fish on a wholesale basis. State Fish and J. DeLuca are two of the six tenants at the facility and occupy four of the 12 stalls.

As part of the settlement agreement (Transmittal 2) between the two tenants resulting from the proceedings of the United States Bankruptcy Court, State Fish assigned RP 12-12 to J. DeLuca effective August 14, 2015. This assignment to and assumption of RP 12-12 by J. DeLuca resulted in J. DeLuca operating four stalls and assuming all obligations pursuant to the proposed RP, including payment of the rent in the amount of \$9,591.91 per month under State Fish RP 12-12 and \$3,310.20 that J. DeLuca currently pays under RP 12-17, or \$154,825.30 per year.

J. DeLuca is a tenant in good standing, in compliance with the requirements of RP 12-17, and possessing current permits as required by regulatory agencies.

The proposed RP 15-22 (Transmittal 3) is being brought to the Board for approval because of the annual compensation amount (\$154,825.30) exceeding the Executive Director's authority of \$150,000. Consolidation of the two existing RPs allows our Accounting Division to demand payment in full under one invoice, avoid short payments, and allocation of funds from one check to cover two different RPs. None of the material terms of the previous RPs have changed for RP 15-22.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of RP 15-22 with J. DeLuca to consolidate the permit premises under RPs 12-17 and 12-12, which is an activity involving the issuance of a permit to use existing facilities involving negligible or no expansion of use. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 1(14) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Compensation from the proposed RP 15-22 will be the sum of rental rates of RP 12-12 (\$9,591.91 per month) and RP 12-17 (\$3,310.20 per month), or \$12,902 per month, annually increased by Consumer Price Index adjustment with a floor of 0 percent. Compensation to the Harbor Department will remain the same. J. DeLuca will assume the operations and the rent previously paid by State Fish.

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CITY ATTORNEY:

The proposed RP has been approved as to form and legality by the Office of the City Attorney.


TRANSMITTALS:

1. Site Map
2. Bill of Sale and Assignment and Assumption Agreement
3. Revocable Permit No. 15-22 with Drawing No. 5-7248-2


FOR

MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

FIS Approval:  (initials)
CA Approval:  (initials)


MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


EUGENE D. SEROKA
Executive Director

ES:MD:MG:RV:KS:RR:mnm
Author: R. Ramirez
BL561mnm J DeLuca RP