

**Factors Germane to City Consent**  
By WATERFRONT & COMMERCIAL REAL ESTATE  
SSA PACIFIC - BLACKSTONE

113.4 Factors Germane to City Consent. In evaluating any Transfer Notice, it shall not be unreasonable for City to withhold or condition its consent to a Transfer based on the following factors, among others:

Background:

**On October 13, 2021, SSA Pacific Inc.'s (SSA) notified the Harbor Department that Blackstone Infrastructure Partners, L.P. (Blackstone), which owned a large minority interest in FRS Capital Corp. ("FRS Capital"), entered into a definitive agreement to acquire in excess of a majority of the outstanding shares of capital stock of FRS Capital. FRS Capital indirectly owns 100% of the-outstanding equity interests of the tenant SSA. This notification triggered the permit's Section 13.2.1 consent requirement due to the transfer of control of the tenant.**

(a) The net worth, financial condition and creditworthiness of the Transferee and the existence of any guaranty provided by the Transferee's parent or related entity or entities;

**SSA is the actual permit holder for Permit 907, and that there is no parent guaranty associated with the permit.**

**In April 2022, staff from the Financial Planning & Analysis division performed both an in-person review of financial statements of SSA and a review of the publically available financial statements for Blackstone Inc. (also known as The Blackstone Group Inc.). Based upon staff's review of these financial statements and the calculation of key financial metrics from these statements associated with net worth, financial condition, and creditworthiness, both SSA and Blackstone Inc. appear to be financially viable business entities, with SSA possessing reasonably sufficient financial wherewithal as required by Permit 907.**

**Blackstone is ultimately controlled by Blackstone, Inc., which is traded on The New York Stock Exchange. Blackstone, Inc. is one of the world's leading investment firms with, as of December 31, 2021, total assets under management of \$881 billion and a market capitalization in excess of \$155 billion. More information regarding Blackstone, Inc., including audited financial statements, is available at <https://www.sec.gov/edgar/browse/?CIK=1393818>.**

**The Minimum Annually Guaranteed (MAG) rent for SSA is \$441,120.81, payable in five equal monthly payments of \$88,224.16 from December through April of each year. The annual CPI adjustment is limited to two percent. The current entitlement expires on October 31, 2022.**

(b) The character, experience and reputation of the Transferee (or its operator) in operating the business contemplated by the Transfer;

**The Transaction will not result in any change to the Port tenant (SSA), to the Permit 907, or to the day-to-day operations of the SSA and the management team.**

(c) Whether the Transfer will negatively impact the short-term or long-term development, land use or other plans of City's Harbor Department, and whether consent to such Transfer would violate any of the legal duties of City's Harbor Department, including duties owed to other tenants;

**Continued use of the Permit 907 premises for docking and mooring of vessels for assembling, distributing is consistent with the Port Master Plan as an existing permitted use. There are currently no conflicting existing legal duties of the Harbor Department that relate to the continued use of the Permit premises.**

(d) Whether the proposed Transfer is consistent with the terms and conditions of this Agreement in existence when Tenant submitted the Transfer Notice and with the laws, rules and regulations applicable to the Premises and Tenant's use and occupancy thereof;

**The SSA will continue to use the premises as a fruit terminal which consists of the docking and mooring of vessels owned, operated, or chartered by Tenant or vessels of Tenant's customers and for the assembling, distributing, loading and unloading of goods, wares and merchandise on and from such vessels over, through and upon the Premises and from and upon other vessels, and for purposes incidental to the break-bulk operation which is consistent with the terms and conditions of Permit 907. The Transaction will not result in any change to the party or to the day-to-day operations of the SSA and the management team.**

(e) Whether the information provided by Tenant in connection with Subsection 113.3.1 (Transfer Notice) justifies such consent;

**The SSA's notice provided the information required by Subsection 113.3.1. The information provided in the notice justifies consent of the proposed assignment based on the proposed tenant's financial standing, experience, and proposed use of the premises that is consistent with the Port Master Plan and the terms of Permit 907.**

(f) The Transferee's level of commitment and specific plans to invest to improve the Premises following approval of the proposed Transfer, if any;

**SSA has committed to continue operating the premises without any changes to agreement.**

(g) Whether there are uncured defaults including, without limitation, unpaid Rent and, if there are, whether the proposed transferee agrees to cure, remedy or otherwise correct any default by Tenant existing at the time of the Transfer, in a manner satisfactory to the Board; and

**SSA is a tenant in good standing.**

(h) Whether the Transferee, its operator or any Affiliate of the Transferee or its operator is listed on any of the following lists maintained by the Officer of Foreign Assets Control of the U.S.

Department of the Treasury, the Bureau of the Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of Persons with which the City may not do business under Applicable Law: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List, and the Debarred List.

Staff has reviewed the following referenced websites and did not find any listing of the proposed tenant or affiliated companies on any such lists.

The Office of Foreign Assets Control - Special Designated Nationals and Blocked Person List: <https://sanctionssearch.ofac.treas.gov/>

The Bureau of Industry and Security - Denied Persons List and Entity List: <http://www.bis.doc.gov/dpl/dpl.txt>

The Office of Defense Trade Controls - Debarred Parties List: [https://www.pmddtc.state.gov/?id=ddtc\\_kb\\_article\\_page&sys\\_id=7188dac6db3cd30044f9ff621f961914](https://www.pmddtc.state.gov/?id=ddtc_kb_article_page&sys_id=7188dac6db3cd30044f9ff621f961914)

WATERFRONT & COMMERCIAL REAL ESTATE DIVISION

Dated: \_\_\_\_\_, 2022

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MICHAEL J. GALVIN  
Director of Waterfront & Commercial Real Estate

Review of the Financial Statements and analysis of the financial condition of SSA Pacific, Inc., and Blackstone Inc. are provided by the FINANCIAL PLANNING & ANALYSIS DIVISION

Dated: May 27, 2022

By:  \_\_\_\_\_

Digitally signed by Jeffrey Strafford  
Date: 2022.05.27 10:36:43 -07'00'

Jeffrey Strafford

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