



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 2, 2016

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVE THIRD AMENDMENT
TO PERMIT NO. 825 WITH ISLAND YACHT ANCHORAGE, INC.**

SUMMARY:

Staff requests approval of a Third Amendment to Permit No. 825 with Island Yacht Anchorage, Inc. (Island Yacht II). Due to the closure of the marina located at Berth 80 operated by Ports O' Call Restaurant Corporation (POCRC), known as the San Pedro Marina or the Ports O' Call Marina (POCM), the City of Los Angeles Harbor Department (Harbor Department) proposes to accommodate a displaced liveaboard at another Harbor Department marina. Approval of the Third Amendment to Permit No. 825 will enable Island Yacht II to accommodate one of the liveaboard tenants from POCM.

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 II Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Approve the Third Amendment to Permit No. 825 with the Island Yacht Anchorage, Inc.;
3. Direct the Board Secretary to transmit the Third Amendment to the City Council pursuant to Charter Section 606;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Third Amendment upon approval by City Council; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background: In January 2016, the Board approved the Termination and Mutual Release Agreement (Termination Agreement) ending Lease Nos. 305-2 and 305-3 with POCRC. As provided in the terms of the Termination Agreement, POCRC issued termination notices to boater occupants at the POCM.

On March 1, 2016, the Harbor Department assumed management of the POCM at Berth 80. Due to the pending redevelopment of the Ports O' Call site, tenants of POCM were given notice to vacate the premises by April 30, 2016. A majority of the liveaboard tenants from POCM relocated to Cabrillo Way Marina (CWM), which was able to temporarily increase their liveaboard limit by an Executive Director letter authorizing a temporary increase in the liveaboard limit pursuant to CWM's operating agreement. The temporary increase in liveaboard limits will revert back to the original limits in CWM's operating agreement through attrition over time.

The proposed action is for the approval of an amendment that will allow Island Yacht II (Transmittal 1) to accommodate one liveaboard vessel displaced by the closure of POCM. This one liveaboard found Island Yacht II to be more affordable compared to the CWM slips that were made available to POCM tenants. The Third Amendment (Transmittal 2) shall be deemed operative August 1, 2016, upon final approval. The relocation of this single liveaboard will not count against the five percent limitation Island Yacht II has on liveaboards pursuant to Permit No. 825. Liveaboard status of this relocated tenant/vessel may not be transferred.

ENVIRONMENTAL ASSESSMENT:

The proposed action is relocating a single liveaboard from POCM to Island Yacht II. The proposed action was assessed as part of the San Pedro Waterfront Project Final Environmental Impact Statement/Final Environmental Impact Report, which was certified by the Board on September 29, 2009. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(i), of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

The proposed action is for the approval of an amendment that will allow Island Yacht II to temporarily accommodate one liveaboard vessel displaced by the closure of POCM. The relocation of this single liveaboard will not count against the five percent limitation Island Yacht II has in place on liveaboards pursuant to its Permit No. 825. This relocated liveaboard will not result in any additional expense to the Harbor Department, and the liveaboard tenant will pay rent directly to Island Yacht II. There is also not expected to be a meaningful revenue impact to the Harbor Department as it relates to the relocation of this liveaboard. The relocation and accommodation of this one liveaboard tenant from POCM to Island Yacht II will allow for the continuation of the planned redevelopment of the Ports O' Call site, as redevelopment cannot take place until all tenants have vacated the site.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Third Amendment as to form and legality.



TRANSMITTALS:

1. Site Map
2. Third Amendment


MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

APPROVED: 
EUGENE D. SEROKA
Executive Director

ES:DM:MG:ER:HP:raw
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BL601raw Island Yacht 3rd Amend

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


FOR MICHAEL DiBERNARDO
Deputy Executive Director