



Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: MARCH 3, 2015**

**FROM: REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE REVOCABLE PERMIT NO. 13-34 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SOUTHERN CALIFORNIA MARINE INSTITUTE**

**SUMMARY:**

On October 11, 1979, the Board of Harbor Commissioners (Board) granted Permit No. 398 (P398) to the University of Southern California for a term of 25 years. On March 24, 1995, P398 was subsequently assigned to Southern California Marine Institute (SCMI), a multi-campus research facility and non-profit oceanographic institution headquartered on Terminal Island. P398 has been on holdover since 2004 and will be superseded by proposed Revocable Permit No. 13-34 (RP No. 13-34).

The proposed revocable permit will have a quarterly compensation of \$28,223, of which \$5,000 is payable in cash and the remainder (\$23,223) as a credit for in-kind services provided to the City of Los Angeles Harbor Department (Harbor Department) and other agencies. The compensation is subject to annual Consumer Price Index (CPI) adjustment. SCMI is responsible for making quarterly rental payments, as well as providing quarterly and annual reporting of activities. RP No. 13-34 is being presented to the Board due to its in-kind services compensation.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve Revocable Permit No. 13-34 with Southern California Marine Institute;
2. Authorize the Executive Director to execute and the Board Secretary to attest to Revocable Permit No. 13-34; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background and Context - SCMI is a multi-campus research facility and non-profit oceanographic institution headquartered on Terminal Island for the purpose of operating and maintaining a support facility for academic, marine, and oceanographic research projects. The members of SCMI include nine California State Universities (Dominguez Hills, Fullerton, Long Beach, Los Angeles, Northridge, Pomona, San Bernardino, San Marcos, and Channel Islands) representing the Ocean Studies Institute, USC, Wrigley Institute for Environmental Studies, UCLA, and Occidental College.

**SUBJECT: REVOCABLE PERMIT NO. 13-34 WITH SCMI**

Proposed RP No. 13-34 (Transmittal 1) will authorize SCMI to occupy approximately 71,755 square feet of Harbor Department property, of which 45,157 square feet is land and 26,598 square feet is wharf and submerged land. SCMI is located at Berths 259-260 on Terminal Island (Transmittal 2). RP No. 13-34 may be terminated upon a 90-day written notice by either party.

SCMI's current compensation is \$14,676 per quarter which consists of \$5,000 in cash and \$9,676 in in-kind services. The proposed compensation under RP No. 13-34 is set at \$28,223 per quarter based upon a land value of \$25, with a rate of return of 10 percent (as detailed below). The wharf and submerged land area are based on Tariff No. 4 (dockage), which grants free dockage to vessels owned by the State of California (No. 410 (k)).

**Permit 398 Southern California Marine Institute (SCMI) Rental Calculations**

Based on Drawing Number 45574-2							
	Land Type	Area per S.F.	Land Value per S.F.	Rate of Return	Annual Rate per S.F.	Annual Rent	Quarterly Rent
Parcel 1	Land	21,631	\$25.00	10%	\$ 2.50	\$ 54,078	\$ 13,519
Parcel 2	Land	6,080	\$25.00	10%	\$ 2.50	\$ 15,200	\$ 3,800
Parcel 3	Land	17,446	\$25.00	10%	\$ 2.50	\$ 43,615	\$ 10,904
Parcel 4	Wharf	2,475	\$ -	12%	\$ -	\$ -	\$ -
Parcel 5	Wharf	2,450	\$ -	12%	\$ -	\$ -	\$ -
Parcel 6	Submerged Lands	10,892	\$ -	10%	\$ -	\$ -	\$ -
Parcel 7	Submerged Lands	10,781	\$ -	10%	\$ -	\$ -	\$ -
<b>Totals</b>		<b>71,755</b>				<b>\$ 112,893</b>	<b>\$ 28,223</b>
					Cash	\$ 20,000	\$ 5,000
					In-kind	\$ 92,893	\$ 23,223

Of the \$28,223 quarterly rent, \$5,000 will be payable in cash and the remainder of \$23,223 in credit for in-kind services provided to the Harbor Department and other agencies. The compensation is subject to annual Consumer Price Index (CPI) adjustment. SCMI currently provides the vessel, operator, fuel, and equipment for the monthly harbor monitoring project and real time water quality monitoring for the Environmental Management Division. In addition, SCMI also offers educational activities, chemical analysis, environmental sampling, monitoring services, and training to other public agencies and local non-profit organizations. RP No. 13-34 will require quarterly and annual reporting of activities (Exhibit B of Transmittal 1) such as a list of organizations using the facilities and the cost and description of services provided to the Harbor Department and other agencies. The rental credit is directly based upon the cost of services provided and is subject to readjustment. In no event will the credit exceed \$23,223 per quarter. Cost of supplies and repairs will be billed directly to the Environmental Management Division.

SUBJECT: REVOCABLE PERMIT NO. 13-34 WITH SCMI

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of RP No. 13-34 for continued operation of the SCMI research facility/oceanographic institute on Terminal Island. As an activity involving the issuance of a permit to use an existing facility involving negligible or no expansion of use, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III Class 1 (14) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no change in employment.

**FINANCIAL IMPACT:**

SCMI's current total compensation is \$14,676 per quarter: five thousand of the total quarterly rent is payable in cash and the remaining amount provided as a credit for services the Harbor Department may draw against. The quarterly rental credit is based upon the cost of services provided and subject to readjustment. Under the proposed compensation, the total compensation will be \$28,223 of which \$5,000 is payable in cash and the remainder in credit (credit not to exceed \$23,223 per quarter). The proposed compensation conforms to the Board's adopted rate of return policy.

**CITY ATTORNEY:**


RP No. 13-34 has been reviewed and approved as to form and legality by the Office of the City Attorney.


**TRANSMITTALS:**

- 1. Revocable Permit No. 13-34
- 2. Site Map

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

*for*   
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APPROVED:  
  
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