



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 31, 2026

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE (1) SUBLEASE BETWEEN ALTASEA AT THE PORT OF LOS ANGELES AND BLUE ROBOTICS, INC. AND (2) NON-DISTURBANCE AND ATTORNMENT AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BLUE ROBOTICS, INC.

SUMMARY:

Staff requests approval of the Sublease between AltaSea at the Port of Los Angeles (AltaSea) and Blue Robotics, Inc., a Delaware corporation (Blue Robotics) in accordance with Section 13.4.1 (f) of Lease No. 904A (Lease) with AltaSea. The proposed Sublease is further described in the Transfer Notice letter submitted by AltaSea to the City of Los Angeles Harbor Department (Harbor Department) in December 2025. Blue Robotics is proposing to sublease warehouse space at Berth 59 for office space; light manufacturing/assembly; and storage in support of the company's underwater and on-water product research and development efforts. All components manufactured or assembled onsite require seawater testing from the AltaSea wharf and use of the site is entirely dependent on access to the water and to maritime applications. The proposed Sublease has a term of 10 years, with two options to extend for five years each, for a total potential term of 20 years.

Additionally, in accordance with Section 13.4.2 of the Lease, AltaSea has requested that the Harbor Department enter into a Non-Disturbance and Attornment Agreement (Non-Disturbance Agreement) with Blue Robotics.

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 has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;

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2. Approve the Sublease between AltaSea at the Port of Los Angeles and Blue Robotics, Inc.;
3. Approve the Non-Disturbance and Attornment Agreement between the City of Los Angeles Harbor Department and Blue Robotics Inc.;
4. Direct the Board Secretary to transmit the Non-Disturbance and Attornment Agreement to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5 of the Los Angeles Administrative Code;
5. Authorize the Executive Director to execute and the Board Secretary to attest to the Non-Disturbance and Attornment Agreement upon approval by City Council; and
6. Adopt Resolution No. _____.

DISCUSSION:

Background – On December 23, 2013, AltaSea was granted Lease No. 904 for the construction, operation, and maintenance of an urban marine research facility with a term of 50 years at City Dock No. 1. The Lease provides conditions under which AltaSea may occupy 12 parcels totaling 32.03 acres.

In August 2017, Lease No. 904 was amended and restated (Lease No. 904A) to expedite activation and development of the premises and reduce each party’s financial obligations without compromising the original mission and goals, including providing comparable public access infrastructure; educational and public programming; job creation; and economic activity.

Proposed Sublease Agreement – The proposed Sublease (Transmittal 1) between AltaSea and Blue Robotics, described in more detail in the Transfer Notice Letter (Transmittal 2), will allow Blue Robotics to construct and operate a robotics manufacturing, distribution, and R&D facility on the premises in compliance with all requirements of the Lease. Within the facility, Blue Robotics will conduct permitted activities related to robotics manufacturing, distribution and R&D, with ancillary uses that generally advance the promotion and accommodation of maritime education, commerce, navigation and fisheries, and/or specifically advance and promote the Los Angeles Waterfront and/or Port of Los Angeles as a visitor destination, all in compliance with all laws and regulations. The sublease allows Blue Robotics to utilize warehouse space at Berth 59 for 10 years, with two five-year options to extend the sublease for a total potential term of 20 years.

The Sublease with Blue Robotics will provide AltaSea with \$155,040 in annual compensation for years 1 through 4 of the Sublease and \$905,040 in annual

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compensation for years five through 10. Additionally, Blue Robotics has committed to investing no less than \$3,000,000 in tenant improvements at Berth 59.

Summary of Significant Sublease Terms –

Provisions	Description	
Transferee(Sublessee)	<ul style="list-style-type: none"> Blue Robotics, Inc. 	
Transferee Description	<ul style="list-style-type: none"> Blue Robotics engages in robotics manufacturing, distribution, and R&D that promotes the future of marine robotics by making the ocean more accessible through advances in marine technology. Blue Robotics was founded in 2014 by the current CEO in Torrance, California. In 11 years, Blue Robotics has evolved from a start-up to a company of 75 employees with gross annual sales of \$20.1 million. 	
Transfer Type	<ul style="list-style-type: none"> Sublease of Warehouse Space at Berth 59 for the construction and operation of a robotics manufacturing, distribution, and R&D facility 	
Transfer Terms	<ul style="list-style-type: none"> 10 years with two, five-year extension options 	
Proposed Operations	<ul style="list-style-type: none"> A robotics manufacturing, distribution, and R&D facility 	
Compensation	<ul style="list-style-type: none"> Lease Months 1-48 49-120 	<ul style="list-style-type: none"> Monthly Compensation \$12,920 \$75,420
Non-Disturbance and Attornment Agreement	<ul style="list-style-type: none"> AltaSea has requested the Department to execute a Non-Disturbance and Attornment Agreement 	
Alterations/Improvements	<ul style="list-style-type: none"> Blue Robotics shall invest no less than \$3,000,000 in hard and soft costs for tenant improvements 	

As outlined in Section 13.3 (b) of the Lease, Blue Robotics possesses the character, experience, and reputation to be considered for a Sublease to construct and operate a

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robotics manufacturing, distribution, and R&D facility. Furthermore, per Section 13.3(f) of the Lease, Blue Robotics has submitted the proper plans and documentation to show their level of commitment to invest and improve the warehouse.

Non-Disturbance and Attornment Agreement – In accordance with Section 13.4.2 of the Lease, AltaSea has requested that the Department enter into a Non-Disturbance and Attornment Agreement (Transmittal 3) as part of its sublease with Blue Robotics.

The Non-Disturbance Agreement will be effective upon execution by the Executive Director and will be in effect so long as AltaSea's sublease with Blue Robotics is in effect, but in no event shall it be longer than the term of the Harbor Department's Lease with AltaSea.

The proposed Non-Disturbance Agreement provides that if AltaSea's Lease with the Harbor Department is terminated and provided that Blue Robotics is not in default under its sublease, the Harbor Department will not disturb Blue Robotics' possession of their subleased space, and the Harbor Department will continue to allow Blue Robotics to operate the robotics facility on the premises for the remaining term of the sublease.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Sublease between AltaSea and Blue Robotics for warehouse space at Berth 59, which is an activity for which the underlying project has been previously assessed in the Addendum #2 to the City Dock #1 Marine Research Center Project Environmental Impact Report (EIR), which was considered by the Board on August 16, 2017, the Addendum to the City Dock #1 Marine Research Center Project EIR, which was considered by the Board on November 7, 2013, and the Final EIR for the City Dock #1 Marine Research Center Project (SCH# 2010121013), which was certified by the Board on October 18, 2012. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed sublease will enable Blue Robotics to sublease warehouse space at Berth 59 over a term of 10 years, with two options to extend for five years each, for a total potential term of twenty years. In exchange, AltaSea will receive a total benefit of \$6,050,400 in monetary compensation as well as an investment of no less than \$3,000,000 in tenant improvements at Berth 59. Staff anticipates the proposed Sublease will benefit the Harbor Department, as the proposed improvements will further enable AltaSea to attract tenants to the premises and stimulate economic development within the surrounding area.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved, as to form and legality, the Non-Disturbance and Attornment Agreement. The recommendation to approve the Sublease between AltaSea and Blue Robotics raises no legal issues at this time.

TRANSMITTALS:

1. Sublease
2. Transfer Notice
3. Non-Disturbance and Attornment Agreement

FIS Approval: JS
CA Approval: SO

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