

DATE: OCTOBER 20, 2022

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVE FIRST AMENDMENT TO REVOCABLE PERMIT NO. 22-03 WITH SAN PEDRO BAIT CO.

SUMMARY:

Staff requests approval of the proposed First Amendment to Revocable Permit No. 22-03 (RP No. 22-03) with San Pedro Bait Co., a California Corporation (San Pedro Bait), which: 1) revises effective date to reflect the actual date the tenant took possession of the premises; 2) increases the premises from 6,255 square feet to 6,640 square feet; 3) increases rent from \$2,189.25 to \$2,324.00 to account for the increase in premises; and 4) increases the amount of the one-time rent credit by \$134.75, from \$2,189.25 to \$2,324.00.

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 administratively and categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article III Class 1(14) and Class 4(8) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Revocable Permit No. 22-03 with San Pedro Bait Co.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Revocable Permit No. 22-03 upon approval by the Board; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background – On May 26, 2022, the Board approved Revocable Permit No. 22-03 for premises located at the former Pan Pacific Cannery location at 998 South Ways Street, Terminal Island, CA (See Transmittal No. 1). That action enabled the relocation of San Pedro Bait Co. from its prior location on Cannery Street.

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The City of Los Angeles Harbor Department (Harbor Department) committed to complete minimal site improvements at the new location on Ways Street to make it occupiable. It took longer than expected for the Harbor Department to prepare the new location for San Pedro Bait's use and occupancy. As such, the effective date of the new Revocable Permit must be revised from June 8, 2022 to July 1, 2022, to reflect the actual date the tenant took possession of the premises.

In addition, during the delay period San Pedro Bait requested an increase to the total area of the premises from 6,255 square feet to 6,640 square feet which necessitated an increase in monthly compensation from \$2,189.25 to \$2,324.00. The Revocable Permit includes a rent credit so that San Pedro Bait would not be required to pay rent on two locations during relocation. That rent credit requires an increase of \$134.75, from \$2,189.25 to \$2,324.00, due to the change in rent for the new premises.

Material terms changed as part of the First Amendment to Revocable Permit No. 22-03 (Transmittal 2) are as follows:

<u>Provisions</u>	<u>Description</u>
Effective Date	Change from June 8, 2022, to July 1, 2022
Premises	Increase from 6,255 SF to 6,640 SF (Paved Land) Change: + 385 SF
Initial Monthly Rent	Increase from \$ 2,189.25 to \$ 2,324.00 Change: + \$134.75
Rent Credit	Increase from \$2,189.25 to \$2,324.00. Change + \$134.75

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed First Amendment to RP No. 22-03 with San Pedro Bait which revises the permit's effective date, increases the premises acreage, increases rent, and increases the amount of a one-time rent credit, which is an administrative activity, an activity involving the amendment of any lease, license or permit to use an existing structure or facility involving negligible expansion of use, and an activity involving the amendment of any lease which allows for a minor increase in leased acreage. Therefore, the Director of Environmental Management has determined that the proposed action is administratively and categorically exempt from the requirements of CEQA in accordance with Article II Section 2(f) and Article III Class 1(14) and Class 4(8) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the proposed First Amendment would update the effective date of RP No. 22-03 and increase the premises by 385 square feet. If the proposed First Amendment is approved, monthly rent will increase by \$134.75 from \$2,189.25 currently to \$2,324.00 as proposed. Furthermore, the initial one-time credit (issued to preclude the tenant from having to pay rent on two premises during relocation) will be increased to \$2,324.00 to account for the increase in premises.

CITY ATTORNEY:

The proposed First Amendment to Revocable Permit No. 22-03 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. First Amendment to Revocable Permit No. 22-03

FIS Approval: *MB*
CA Approval: *SO*

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APPROVED:

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BL958jg San Pedro Bait Amendment