

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Harbor Department (Port) agreement with Tri-Marine Fish Company, LLC (Tri-Marine), for the continued operation of a wet-fish processing operation at Fish Harbor, Terminal Island.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with Article III, Class 1 (14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the Port Resolution No. 17-8139 authorizing the proposed First Amendment to Permit No. 892 with Tri-Marine to combine and add parcels, revise rents, extending the agreement term, and other actions for the continued operation of a wet-fish processing operation at Fish Harbor, Terminal Island.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Revenue will be deposited in the Harbor Revenue Fund. The proposed amendment extends the Permit to a new 20-year lease term and revises the rental structure, including a rental reset and provision of a one-time rental credit. The proposed amendment also increases the Minimum Annual Rent that Tri-Marine pays to the Port from \$299,884 in Fiscal Year 2016-17 to an annual estimated amount of \$562,792, an increase of \$262,908 or approximately 48 percent. The estimated amount of \$562,792 will increase the annual rate of return from five percent to approximately 10.1 percent, consistent with Port policy. There will be no impact to the City General Fund and funds will be deposited into the Harbor Revenue Fund.

Community Impact Statement: None submitted.

TIME LIMIT FILE – NOVEMBER 13, 2017

(LAST DAY FOR COUNCIL ACTION – NOVEMBER 8, 2017)

SUMMARY

In a report to the Mayor dated October 4, 2017, the CAO states that the Port requests approval of a proposed First Amendment to Permit No. 895 with Tri-Marine for the continued operation of a wet-fish processing operation at Fish Harbor. The proposed amendment modifies the existing land in the Permit by combining parcels and including additional land areas, provide Tri-Marine with a first right of refusal option for a land parcel owned by the Port, replaces the existing 20-year term with a new fixed 20-year contract term, revises the rents to Include minimum annual rent and rent percentage provisions, establishes a five-year rental reset provision based upon market-based rates and annual rents, and provides a one-time rental credit to Tri-Marine for installing and improving Its property. On July 20, 2017, the Board of Harbor Commissioners approved the proposed amendment. The CAO concurs with this action.

At its meeting held October 17, 2017, the Trade, Travel, and Tourism Committee recommended

that Council approve the proposed amendment of the Port agreement with Tri-Marine Fish Company, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
KREKORIAN:	YES

jaw

-NOT OFFICIAL UNTIL COUNCIL ACTS-