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RECOMMENDATION APPROVED;  
RESOLUTION NO. 17-8128 (PERMIT 899) ADOPTED  
BY THE BOARD OF HARBOR COMMISSIONERS



Executive Director's  
Report to the

Board of Harbor Commissioners

June 15, 2017

*Amber M. Klesges*  
AMBER M. KLESGES  
Board Secretary

DATE: MAY 31, 2017

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. 17-8128 - APPROVE FIRST AMENDMENT TO  
PERMIT NO. 899 WITH PACIFIC BATTLESHIP CENTER

**SUMMARY:**

Staff requests approval of the First Amendment to Permit No. 899 (P899) with Pacific Battleship Center (PBC). P899 was granted on May 25, 2012, and has a term of ten years with two five-year options to renew.

The proposed First Amendment to P899 proposes: 1) limited permission for PBC to host special events without prior approval of the Executive Director that are visitor-serving and promotional for the LA Waterfront but are not maritime, military, or educational in nature; 2) allowance to host overnight and separate adult and youth educational programs; 3) requirement for annual maintenance expenditure as a financial responsibility of PBC in the amount of \$750,000 and deletion of the current end of term escrow account for the same purpose; 4) revisions to the insurance provision to cover events serving alcohol and events using pyrotechnics; and 5) incorporation of an overnight security plan that provides a minimum of two, and maximum of six, staff to stay overnight to monitor the ship; and incorporation of criteria for parking pass use.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the First Amendment to Permit No. 899 with Pacific Battleship Center;
3. Direct the Board Secretary to transmit the First Amendment to Permit No. 899 to the City Council for approval pursuant to Section 606 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Permit No. 899 upon approval by City Council; and
5. Adopt Resolution No. 17-8128.

SUBJECT: FIRST AMENDMENT TO PERMIT NO. 899 WITH PACIFIC BATTLESHIP CENTER

**DISCUSSION:**

Background – P899 between the City of Los Angeles Harbor Department (Harbor Department) and PBC grants use of approximately 4.43 acres of property at Berths 88-89 for the berthing, maintenance, and operation of the USS Iowa as a museum and educational facility; venue for maritime- and military-related events; filming; special events with prior Harbor Department approval; and storage of associated equipment, material, and supplies.

First Amendment Summary

1. Permitted Uses – The First Amendment (Transmittal 1) would allow special events that are not maritime, military, or educational in nature without the Executive Director's approval so long as such events are visitor-serving and promote the LA Waterfront, except for those with more than 500 attendees, and/or require Harbor Department resources for materials, equipment or public safety which would require prior Executive Director approval. PBC will also be required to provide monthly notification to the Harbor Department for all events. See Transmittal 2 for location.

P899 currently allows youth sleepover programs with the Executive Director's or designee's prior approval. The proposed First Amendment would modify the sleepover provision to allow any organized group of ten or more people for no longer than three (3) nights per group, with adequate security, supervision, and educational staff throughout the program. The sleepover programs must be held in conformance with the Camp Battleship on the USS Iowa Program Guidebook, which sets forth the goals of the program, rules, and requirements to ensure proper conduct and safety, and the Camp Battleship Team Member Hiring and Training Policy which sets forth the requirements and responsibilities for all PBC staff involved with the Camp Battleship Program.

2. Special Fund Account for Operations and Maintenance - PBC is required to set aside 0.75 percent of its gross receipts in an escrow account for operations and maintenance until such account balance reaches \$1.8M. The proposed First Amendment would allow the dissolution of the escrow account and instead require PBC to commit to spending 30 percent of its gross receipts on maintenance and repair on a yearly basis, and no less than \$750,000 a year. Such maintenance expenditures will be reported on a monthly basis, and upon PBC's receipt of the USS Iowa's annual dive report and US Navy Inspection Report, also submit a plan to address any deficiencies.
3. Insurance - To ensure that proper liability coverage is in place for events that allow liquor and pyrotechnics, the proposed First Amendment would modify the insurance section to include the required provisions.
4. Miscellaneous Items – The proposed First Amendment will incorporate PBC's overnight security policy that addresses the need for a 24-hour security watch, as well as the clarification regarding the use of 25 annual parking passes provided to volunteers.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an amendment to Permit No. 899 with PBC to make changes related to allowable events and programs, maintenance expenditure requirements, insurance requirements, and incorporation of an overnight security plan. As an activity involving the amendment 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 CEQA in accordance with Article III Class 1(14) of the City CEQA Guidelines.

**FINANCIAL IMPACT:**

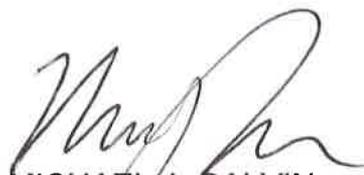
The requirement to expend a minimum of 30 percent of its gross receipts, or \$750,000, on maintenance and repairs, instead of depositing 0.75 percent of all monthly gross receipts into the Special Fund Account for Operations and Maintenance until the fund reaches \$1.8M, will limit the Harbor Department's financial exposure should the Tenant default and the Harbor Department assume control of the vessel.

**CITY ATTORNEY:**

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

**TRANSMITTALS:**

- 1. First Amendment
- 2. Site Map

  
 MICHAEL J. GALVIN  
 Director of Waterfront & Commercial Real Estate

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

  
 MICHAEL DIBERNARDO  
 Deputy Executive Director

APPROVED:

  
 EUGENE D. SEROKA  
 Executive Director