

**ENVIRONMENTAL FINDING and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT** relative to a Harbor Department (Port) lease with the Jankovich Company for the use of two berths and the Canetti Building.

Recommendations for Council action:

1. **CONSIDER** the Fifth Addendum to the certified San Pedro Waterfront Environmental Impact Report (EIR), and after consideration of said Addendum **FIND** that, in accordance with the provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15162, the proposed Fifth Amendment will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed in the certified EIR.
2. **APPROVE** the Port Resolution No. 17-8154 authorizing proposed Permit No. 930 with the Jankovich Company for the lease of Berth Nos. 73A and 51 and the Canetti's Building to operate a marine fueling station providing marine fuels and lubricants to small commercial, recreational, and fishing vessels, as well as bunker fueling services to larger vessels, for a term of 20 years with two five-year renewal options.

**Fiscal Impact Statement:** The City Administrative Officer (CAO) reports that the Jankovich Company will pay the Port an annual rent amount of approximately \$290,402 for Berth Nos. 73A and 51, and the Canetti building, and truck access and parking lot. The lease includes a minimum annual rent of \$193,538 for Berth Nos. 73A and 51 and a competitive market rent amount of \$96,864 for the Canetti building and truck access and parking lot. The Port has agreed to provide the Jankovich Company with a rental credit of \$3 million for the company's plan to upgrade and improve Berth Nos. 73A and 51, at a projected cost of \$2.5 million, and to upgrade and improve the Canetti's building office space, at a projected cost of \$500,000. The Jankovich Company will be responsible for all costs, including but not limited to development, construction, permitting and design of improvement in exchange for the rental credit. According to the Port, the net present value of the proposed permit to the Port is \$1.7 million.

**Community Impact Statement:** None submitted.

**TIME LIMIT FILE – DECEMBER 12, 2017**

**(LAST DAY FOR COUNCIL ACTION – DECEMBER 12, 2017)**

**SUMMARY**

In a report to the Mayor dated October 11, 2017, the CAO states that the Port requests approval of the proposed lease with Jankovich to relocate its marine fueling terminal from its currently operating site at the port. The Port asked Jankovich to relocate to Berth 73A because the current site conflicts with the ongoing Port Master Plan and the development of the San Pedro Public Market at the Ports of O'Call Village. The Port Master Plan has set-aside this area for visitor-serving commercial use. The proposed permit will include a new long-term lease to allow Jankovich to move its operations from the current Ports O'Call site to Berth 73A, Berth 51 and the Canetti's Building, for office space. According to the CAO, the property subject to this Permit

includes 10 parcels for a total area of approximately 128,735 square feet consisting of land, wharf, water and submerged land, and building space. On August 17, 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 Port lease with Jankovich, 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

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**