



425 S. Palos Verdes Street Post Office Box 151 San Pedro, CA 90733-0151 TEL/TDD 310 SEA-PORT www.portoflosangeles.org

Eric Garcetti | Mayor, City of Los Angeles

Gary Lee Moore, P.E. | Interim Executive Director

January 17, 2014

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. Michael Espinosa, City Clerk's Office

SUBJECT: ORDER NO. 13-7150 - TENTH AMENDMENT TO PERMIT NO. 692 WITH YUSEN TERMINALS, INC.

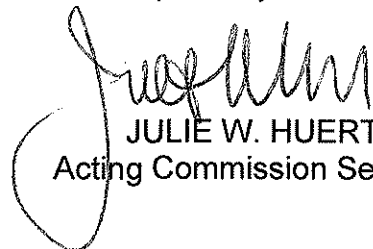
Pursuant to Section 606 and 654(a) of the Los Angeles City Charter, enclosed for your approval is a proposed amendment to Permit No. 692 with Yusen Terminals.

The tenth amendment to Permit No. 692 was approved by the Board of Harbor Commissioners at its meeting of November 7, 2013.

RECOMMENDATION:

1. The City Council approve the proposed amendment to Permit No. 692 with Yusen Terminals;
2. Find that the recommendation action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully submitted,



JULIE W. HUERTA
Acting Commission Secretary

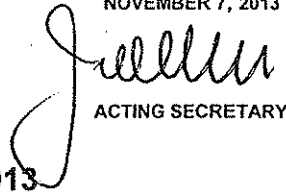
cc: Trade, Commerce & Tourism Committee
Councilman Rosendahl, encs.
Councilman LaBonge, encs.
Councilman Buscaino, encs.
Mandy Morales, Mayor's office, encs.

Alvin Newman, CAO, encs.
Lisa Schechter, CD4, encs.
Aaron Gross Government Affairs, encs.
Christine Yee Hollis, CLA, encs.

11/7/13
18

RECOMMENDATION APPROVED AND
ORDER 13-7150 ADOPTED
BY THE BOARD OF HARBOR COMMISSIONERS

NOVEMBER 7, 2013


ACTING SECRETARY



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 23, 2013

FROM: REAL ESTATE

SUBJECT: ORDER NO. 13-7150 - PROPOSED TENTH AMENDMENT TO
PERMIT NO. 692 WITH YUSEN TERMINALS, INC.

SUMMARY:

Permit No. 692 (Permit) between the City of Los Angeles Harbor Department (Harbor Department) and Yusen Terminals, Inc. (YTI) grants nonexclusive use of 224.82 acres at Berths 211-224 for container terminal operations. The Permit is for a term of 25 years that expires on September 30, 2016, with one ten-year extension option. In order to exercise this option, YTI must provide written notice to the Harbor Department not later than 24 months prior to the end of the initial term of the Permit (by August 2014). The proposed Tenth Amendment will change the date that YTI has to exercise the option from 24 months to no later than 12 months prior to the end of the initial term of the Permit (i.e., August 2015) to allow for the completion of the Environmental Impact Report/Environmental Impact Statement (EIR/EIS) process prior to the notification requirement.

Currently, the Harbor Department is preparing an EIR/EIS to redevelop the YTI terminal. The EIR/EIS is expected to be completed and presented to the Board for consideration in September of 2014. If the EIR/EIS is certified, YTI will notify the Harbor Department of its desire to exercise the option to extend the Permit for another ten years by August 2015.

The proposed project includes deepening Berths 214-216 and 217-220, -220, improving Berths 217-220 to accommodate 100-foot gauge gantry cranes, adding new cranes and extending the height and reach of existing cranes, expanding YTI's portion for the Terminal Island Container Transfer Facility (TICTF) on dock railyard, and other related actions. This redevelopment would allow YTI to service larger ships up to 13,000 Twenty-Foot Equivalent Unit (TEU) at Berths 214-214 and 10,000 TEUs at Berths 217-220 which are expected to call at the terminal over the next ten years.

RECOMMENDATION:

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

1. Approve the Tenth Amendment to Permit No. 692 with Yusen Terminals, Inc.;
2. Direct the Board Secretary to transmit the Tenth Amendment to Permit No. 692 to the City Council for approval pursuant to Section 606 of the City Charter;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Tenth Amendment upon Board approval contingent upon approval by City Council; and

SUBJECT: TENTH AMENDMENT TO PERMIT NO. 692 WITH YUSEN TERMINALS

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a permit amendment to reduce the notice requirements for YTI's option to extend the Permit from 24 months to 12 months to accommodate completion of an EIR/EIS for proposed terminal redevelopment prior to the notice requirement. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Amendment (Transmittal 2) will have no employment impacts.

FINANCIAL IMPACT:

The proposed Tenth Amendment will change the period of time that YTI will have to exercise its ten-year renewal option from 24 months (August 2014) to no later than 12 months (August 2015) prior to the end of the Permit. Once YTI notifies the Harbor Department of its desire to exercise its option to extend its Permit for an additional ten years, a separate future Board action will fully present the financial impact of that action.

CITY ATTORNEY:



The proposed Tenth Amendment and Order (Transmittal 3) have been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

- 1. Site Map
- 2. Tenth Amendment
- 3. Order



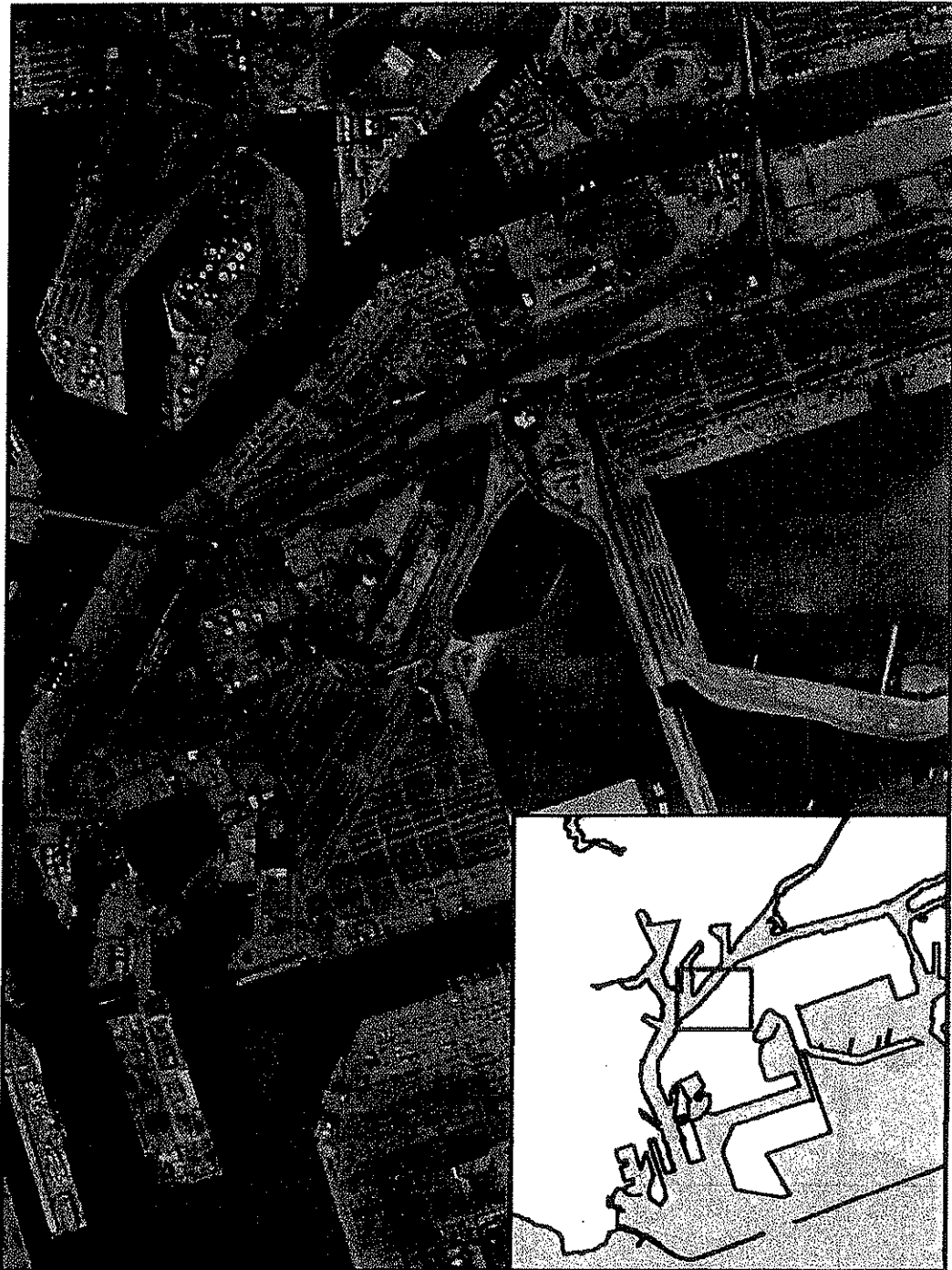
JACK C. HEDGE
Director of Real Estate

FIS Approval:  (initials)
 CA Approval:  (initials)
 FOR 
 KATHRYN McDERMOTT
 Deputy Executive Director

APPROVED:

 GERALDINE KNATZ, Ph.D.
 Executive Director


BERTHS 211-224



N
Transmittal No. _____

0 1,250 2,500
Feet

Harbor Department,
Planning & Economic Development
Map Produced 01/2011



TENTH AMENDMENT TO PERMIT NO. 692
BETWEEN THE CITY OF LOS ANGELES
AND
YUSEN TERMINALS INC.
AS ASSIGNEE OF NIPPON YUSEN KAISHA ("NYK")

THIS TENTH AMENDMENT TO PERMIT NO. 692 (the "Agreement") is made this _____ day of _____, 201_ by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners ("City"), and YUSEN TERMINALS INC. AS ASSIGNEE OF NIPPON YUSEN KAISHA ("YTI" or "Tenant").

WHEREAS, CITY and YTI entered into Permit No. 692 in which it was agreed, among other things, that YTI would have an Option to Extend the Term of Permit 692 for an additional ten (10) years;

WHEREAS, Permit No. 692 Section 3 (c) "Option to Extend Term" states that YTI must exercise by written notice its intention to extend the term not later than twenty-four (24) months prior to the end of the initial term of the Agreement;

WHEREAS, City and YTI both desire to change the period of time that YTI has to exercise the Option to Extend Term;

WHEREFORE, CITY and YTI agree that Permit No. 692 between the CITY OF LOS ANGELES and YUSEN TERMINALS INC. AS ASSIGNEE OF NIPPON YUSEN KAISHA is hereby amended a tenth time, as follows:

Section 3(c) of Permit No. 692 between the CITY OF LOS ANGELES and YUSEN TERMINALS INC. AS ASSIGNEE OF NIPPON YUSEN KAISHA shall be replaced in its entirety by:

(c) Option to Extend Term. City hereby grants to Tenant an option (the "Option") to extend the initial twenty five (25) year term of this Agreement for a period of 10 years. The Option must be exercised, if at all, by written notice delivered to City by Tenant not later than twelve (12) months prior to the end of the initial term of this Agreement. Provided Tenant has properly and timely exercised the Option, the term of this Agreement shall be extended by ten (10) years and all terms, covenants and conditions of this Agreement shall remain unmodified and in full force and effect, except that compensation for each five (5) year period of the extended term shall be renegotiated in accordance with Section 4(i). Tenant's exercise of the Option shall be irrevocable unless Tenant and Board mutually agree otherwise. If Tenant elects not to exercise the Option, Tenant shall so advise City by written notice delivered to City by Tenant not later than twelve (12) months prior to the end of the initial term of this Agreement.

ORDER NO.

IT IS HEREBY ORDERED by the Board of Harbor Commissioners that the TENTH AMENDMENT TO PERMIT NO. 692 granted by the City of Los Angeles, acting by and through its Board of Harbor Commissioners, to YUSEN TERMINALS, INC., is hereby approved and the Executive Director and the Secretary of the Board are hereby authorized and directed to execute and attest to the same on behalf of the City of Los Angeles upon this Order being approved by the City Council as described below.

The Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles and shall cause a copy of the same to be presented to the City Council as provided in Section 606 of the Charter of the City of Los Angeles. If the Council shall approve this Order within 30 days after such Order shall have been presented to it, or if the Council shall fail to disapprove this Order within said 30 days, the Order shall be deemed approved and shall become effective upon such approval without publication. The Amendment approved by this Order shall become effective immediately upon execution by the City Executive Director and Board Secretary after such Council approval of the Order.

I HEREBY CERTIFY that the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting of _____.

JULIE WICHMANN HUERTA
Commissioner Secretary

APPROVED AS TO FORM

October 17, 2013
MICHAEL N. FEUER, City Attorney
Janna B. Sidley, General Counsel

By 
JUSTIN HOUTERMAN, Deputy

BL462raw Order 606

TRANSMITTAL 3

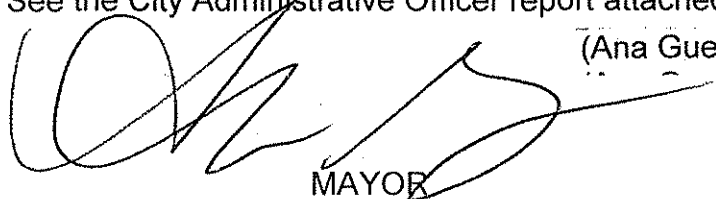
0150-05840-0006

TRANSMITTAL

TO Gary Lee Moore, Interim Executive Director Harbor Department	DATE 1/14/14	COUNCIL FILE NO. 09-1575
FROM The Mayor	COUNCIL DISTRICT 15	

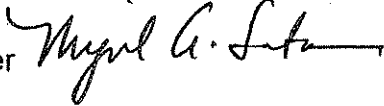
PROPOSED TENTH AMENDMENT TO PERMIT NO. 692 WITH YUSEN TERMINALS INC.

Transmitted for further processing and Council consideration.
See the City Administrative Officer report attached.


(Ana Guerrero)
MAYOR

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 20, 2013
To: The Mayor
From: Miguel A. Santana, City Administrative Officer 
Reference: Correspondence from the Harbor Department dated November 26, 2013; referred by the Mayor for report dated December 2, 2013
Subject: **PROPOSED TENTH AMENDMENT TO PERMIT NO. 692 WITH YUSEN TERMINALS INC.**

SUMMARY

The Harbor Department (Port) requests approval of Board of Harbor Commissioners (Board) Resolution No. 13-7150 for the proposed Tenth Amendment (Amendment) to Permit No. 692 with Yusen Terminals Inc. (Yusen). Yusen is a major container shipping tenant at the Port operating under a 25-year permit through September 30, 2016, with one ten-year renewal option that requires at least 24 months advanced notice (by August 2014) prior to expiration of its permit. Approval of the proposed Amendment reduces the requirement from 24 months down to 12 months allowing for completion of the Environmental Impact Report/Environmental Impact Study (EIR/EIS) process relating to a Redevelopment Project (Project) at the Yusen terminal. Completion of the EIR/EIS and presentation to the Board is expected by September 2014.

The Project under review by the current EIR/EIS process involves redevelopment and modernization of the operations at Yusen's berths to accommodate larger ships that the Port expects to receive at the terminal over the next ten years. Specific Project improvements include (1) deepening wharfs from a depth of -45 feet to -53 feet, (2) adding new cranes, (3) extending the height and reach of existing cranes, and (4) expanding Yusen's portion for the Terminal Island Container Transfer Facility (TICTF) on dock rail yard, in addition to other related actions.

The Port currently leases 224.82 acres of land and wharf to Yusen consisting of Berths 211 through 224 with 5,888 linear feet of water frontage. In accordance with City Charter Section 606, Council approval of the proposed resolution is required for changes to any contract extending beyond five years.

The proposed Amendment is in compliance with City requirements and has been approved by the City Attorney as to form and legality. The Port Director of Environmental Management states that the proposed Amendment is an administrative action that reduces the advanced notice requirements for Yusen's extension option from 24 months down to 12 months with no change to the operation. Therefore, the proposed action is exempt from the requirements of the California Environmental

Quality Act (CEQA) under Articles II, Section 2(f) of the Los Angeles CEQA Guidelines.

The above-mentioned aspects of the proposed Tenth Amendment, and this report, are based upon information received from the Department subsequent to the initial request submittal.

RECOMMENDATION

That the Mayor:

1. Approve the proposed Harbor Department Board of Harbor Commissioners Resolution No. 13-7150 authorizing the Tenth Amendment to Permit No. 692 with Yusen Terminals Inc.; and
2. Return the proposed resolution to the Department for further processing, including City Council consideration.

FISCAL IMPACT STATEMENT

Approval of the Harbor Department (Port) proposed Tenth Amendment to Permit No. 692 with Yusen Terminals Inc. (Yusen) will not result in a fiscal impact to the Harbor Revenue Fund. Approval of the proposed resolution will not impact the City's General Fund.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 606, Process for Granting Franchises, Permits, Licenses and Entering Into Leases, unless Council takes action disapproving a contract that is longer than five years within 30 days after submission to Council, the contract will be deemed approved.

Attachment

MAS:RPR:10140110