

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to amending the Harbor Department (Port) agreement with Augello Enterprises, LLC, for the transfer of ownership of all tenant rights from the previous owner's operation and maintenance of a facility for the offloading and processing of wet fish from commercial fishing boats, and associated water-dependent operations.

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. 17-8145 authorizing proposed Permit No. 925 with Augello Enterprises, LLC, for the operation and maintenance of a facility for the offloading and processing of wet fish from commercial fishing boats, and associated water-dependent operations for a maximum term of 20 years.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the Port will receive approximately \$101,856 in annual base rent from Augello Enterprises, LLC, which will be paid in 12 equal installments of approximately \$8,488 per month. The annual rent amount will be subject to an eight percent increase per year for the initial five years of the permit. In addition, the rent amount will be subject to annual adjustment based on the Consumer Price Index and an adjustment to fair market value every five years. Augello Enterprises, LLC, will be responsible for all operation, maintenance and improvement costs for the lease property, with the exception of the wharf area.

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 12, 2017, the CAO states that the Port requests approval of Permit No. 925 with Augello Enterprises, LLC. The permit with Augello will transfer ownership of all tenant rights from the previous owner of the facility: Larry Gleason. Gleason used the wet fish processing operation at Fish Harbor on Terminal Island. The Port states that Gleason was recently acquired by Augello. As a result, Augello has acquired all the existing assets and land for the wet fish processing operation previously owned by Gleason. In 2011, Gleason was one of four companies granted the use of waterfront land at Fish Harbor to construct, operate, and maintain warehouses and facilities to offload and process wet fish operations. The proposed permit will allow Augello to continue the operation and maintenance of the facility to offload and process wet fish activities from commercial fishing vessels and associated water-dependent operations.

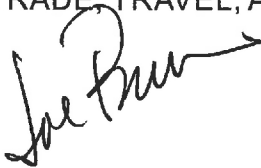
According to the CAO, the Port requests authority to enter into a new permit with Augello, under a

new lease term, with updated lease and tenant compliance provisions. The new permit with Augello will be for a similar term of five years, with three five-year renewal options, for a total up to 20 years. Approval of the permit will provide stability and security for Augello to plan for future business operations. In addition, it will provide flexibility to the port for any future planned development in Fish Harbor. On August 10, 2017, the Board of Harbor Commissioners approved the Port's request. 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 ownership transfer to Augello, 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-