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Karen Bass Mayor, City of Los Angeles
Board of Harbor Commissioners
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Lucille Roybal-Allard President
John A Pérez Vice President
Michael Muñoz Commissioner
Edward R. Renwick Commissioner
I. Lee Williams Commissioner

November 13, 2024

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

CD No. 15

Attention: Heleen Ramirez, City Clerk's Office

Subject: RESOLUTION NO. 24-10427: TWELFTH AMENDMENT TO PERMIT NO. 733 WITH FENIX MARINE SERVICES, LTD.

Pursuant to Section 606 of the City Charter; enclosed for your approval is Resolution No. 24-10427 for the proposed Twelfth Amendment (Amendment) to Permit No. 733 (Permit) with Fenix Marine Services, Ltd. (FMS) which is necessary for the City of Los Angeles Harbor Department (Harbor Department) to undertake construction of the Berths 302-305 On-Dock Rail Yard Expansion Project (Project). The proposed Project will add five loading/unloading tracks to the FMS terminal located at Pier 300, which will increase on-dock railyard capacity and enable more cargo to be loaded onto trains via the on-dock railyard within the terminal.

The Project cost is \$51,900,000 of which, \$37,378,743 will be funded through State and Federal grants secured by the Harbor Department.

The Amendment makes the following notable changes to the Permit: 1) defines the Project scope; 2) temporarily removes approximately 23 acres of the premises for the duration of the 24-month construction period and provides substitute premises adjacent to the terminal; 3) modifies rent provisions and adds potential rent credits and damages clauses, all related to the Project; 4) increases the premises size from 292 acres to 302 acres at Project completion; 5) designates the rail added under the Project as a new parcel at a new fixed rate; and 6) adds Project-specific indemnity provisions.

The Harbor Department will be financially responsible for potentially \$27,551,257 in costs, summarized as follows: payment of the \$14,521,257 in remaining costs related to the Project; providing rent credits in the amount of \$10,230,000; providing an additional rent credit not-to-exceed \$1,000,000 arising from increased FMS operating costs during construction; as well as for payment of liquidated damages not-to-exceed \$1,800,000 to FMS resulting from Project construction delays. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines and;
2. APPROVE POLA Resolution No. 24-10427 for the proposed Twelfth Amendment to Permit No. 733 between the City of Los Angeles Harbor Department and Fenix Marine Services, Ltd.

Respectfully Submitted,

AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilwoman Park, Chair
Councilman McOsker
Councilman Soto-Martinez
Councilman De Leon
Councilman Price

Erick Martell, Mayor's Office
Stephanie Magnien Rockwell, Harbor Representative
Jennifer Sapone, CAO
Jacqueline Wagner, CAO
Jeanne Min, CD15
Anissa Raja, CD15

Councilwoman Park
Tristan Noack, CLA
Aksel Palacios, CD15
Kevin Brunke, CD11