

ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL AND TOURISM COMMITTEE REPORT relative to the Twelfth Amendment to Permit No. 733 with Fenix Marine Services, Ltd. (FMS) to accommodate the Port of Los Angeles' (POLA) construction of the Berths 302-305 On-Dock Rail Yard Expansion Project.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners (BOHC) that this action is administratively exempt from the California Environmental Quality Act (CEQA) pursuant to Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.
2. APPROVE the POLA Resolution No. 24-10427 for the proposed Twelfth Amendment to Permit No. 733 between the POLA and FMS.
3. AUTHORIZE the Executive Director, POLA, or designee, to execute the proposed Twelfth Amendment upon approval as to form by the City Attorney and approval by the Council.

Fiscal Impact Statement: The City Administrative Officer reports that approval of the proposed Twelfth Amendment to Permit No. 733 between the POLA and FMS will enable the POLA to undertake construction of the Berths 302-305 On-Dock Rail Yard Expansion Project (Project). The total Project cost is \$51,900,000, of which, \$37,378,743 will be funded through State and Federal grants secured by the POLA. The POLA will be financially responsible for up to \$27,551,257 in costs including \$14,521,257 of Project-related costs in excess of grant funds, rent credits to FMS not-to-exceed \$10,230,000, and liquidated damages to FMS in the form of rent credits not-to-exceed \$2,800,000. These costs are budgeted and will be expended through the Harbor Revenue Fund 702 potentially over four fiscal years: Fiscal Year (FY) 2024-25 through FY 2027-28. Compensation under provisions of the Permit for the current premises remain unchanged with a Minimum Annual Guarantee revenue of \$62,930,000 per year and a Fixed Rent revenue of \$4,360,000 annually, subject to annual adjustments based on the Consumer Price Index (CPI). The proposed Amendment will add additional Fixed Rent revenue, subject to annual CPI adjustments, of \$806,400 in Year 1 after the Project is completed, which is estimated to be in 2027. All receipts will be deposited in the Harbor Revenue Fund No. 702. The recommendations in this report and proposed actions comply with the POLA's Financial Policies. There is no impact on the City's General Fund.

Community Impact Statement: None submitted

TIME LIMIT FILE – DECEMBER 13, 2024

(LAST DAY FOR COUNCIL ACTION – DECEMBER 13, 2024)

SUMMARY

At the meeting held on December 3, 2024 your Trade, Travel and Tourism Committee considered a BOHC report relative to the Twelfth Amendment to Permit No. 733 with FMS.

After an opportunity for public comment, the Committee moved to approve the recommendations stated in the BOHC report, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

Trade, Travel and Tourism Committee

Member

PARK:

McOSKER:

DE LEÓN:

PRICE:

SOTO-MARTÍNEZ:

VOTE

YES

YES

ABSENT

YES

YES

HR 12-3-24

-NOT OFFICIAL UNTIL COUNCIL ACTS-