

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: February 27, 2023

CAO File No. 0150-10981-0002

Council File No. 12-0743

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated October 20, 2022; referred by the Mayor for report on October 21, 2022

Subject: **PROPOSED THIRD AMENDMENT TO HARBOR DEPARTMENT PERMIT NO. 899 WITH PACIFIC BATTLESHIP CENTER TO PROVIDE ADDITIONAL STAFF, VOLUNTEER PARKING AND ANNUAL RATHER THAN MONTHLY REPORTING**

RECOMMENDATIONS

That the Mayor:

1. Approve Harbor Department (Port) Resolution No. 22-10075 authorizing approval of the Third Amendment to Permit No. 899 with Pacific Battleship Center to provide additional staff, volunteer parking, and annual rather than monthly reporting; and
2. Return the Resolution documents to the Port for further processing, including Council consideration.

SUMMARY

Pacific Battleship Center (Pacific Battleship), a 501(c)(3) organization, operates the historic battleship USS Iowa under Harbor Department Permit No. 899, as a museum and educational facility; a venue for military-related events, special events to promote the LA Waterfront, sleepover programs, and filming; and for other special events with prior approval of the Port.

The initial term of the Permit with Pacific Battleship commenced on May 25, 2012, for a term of 10 years. On July 28, 2022, the Board of Harbor Commissioners approved Resolution No. 22-10033 allowing Pacific Battleship to exercise the First Option to extend the term of the Permit for an additional five years, for a total of 15 years through July 2027 (Attachment 1). The proposed Third Amendment was approved by the Board at its meeting of October 20, 2022 (Attachment 2).

Background

Due to the increasing popularity of the USS Iowa as a museum and event space, Pacific Battleship

has hired more staff and taken on more volunteers, therefore triggering a request for an increase in the number of available no-cost parking passes in the Berth 87-93 parking lot. Pacific Battleship currently employs 30 full-time staff, 25-30 part-time staff, and has 300 active volunteers to support its operations.

The Pacific Battleship Center currently has 40 no-cost parking passes for staff and volunteers. Pacific Battleship routinely has a minimum of 80 cars parked in the parking lot on a daily basis.

In consideration of Pacific Battleship's non-profit status and increasing attendance at the USS Iowa, the Harbor Department proposes to provide the organization with an increase in available no-cost parking passes from 40 to 100. All parking passes provided will be administered by and provided to staff and volunteers only. Pacific Battleship's security team tracks and administers the passes through a daily check-in/check-out system which identifies ID/crew number.

The Harbor Department will conduct annual reviews of pass utilization to prevent misuse. The Port indicates that the increase in the number of passes provided will not have a negative impact on the other businesses within the area.

Change from Monthly to Annual Reporting – The Harbor Department also proposes to change the operational and financial reporting requirement imposed on the Battleship Center from monthly to annual. Reporting requirements concern attendance numbers and type; volunteers, paid or complementary; as well as expenses for all activities conducted on the premises.

The Pacific Battleship has been required to provide monthly reports during the initial term of the Permit since closer monitoring of the new permittee's activities was necessary and appropriate. Given the 10-year track record of Pacific Battleship, the Harbor Department now believes annual reporting is sufficient, which aligns with reporting requirements for other non-profits utilizing Port facilities.

CEQA – The proposed Third Amendment to Permit No. 899 involves a change in the shared use of the existing rear Berths 87-93 parking lot and modification of the reporting requirement by the Battleship Center. The Harbor Department indicates that the change in shared use of the parking lot will result in negligible or no expansion of use of that facility and that the modification of the reporting requirement is an administrative change. The Port's Director of Environmental Management has therefore determined that the proposed Third Amendment is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(3) and Class 1(14) of the Los Angeles City CEQA Guidelines.

FISCAL IMPACT STATEMENT

Approval of the proposed Third Amendment will result in primarily administrative changes to Permit No. 899 that will have no financial impact on the Harbor Department. The Pacific Battleship Center will continue to pay annual rent at the greater of \$111,348.89 or four percent of gross receipts with annual adjustments according to changes in the Consumer Price Index. While the proposed Amendment will enable Pacific Battleship to possess 60 additional no-cost parking passes, the

provision of these additional passes is not projected to negatively impact the availability of paid parking for other businesses adjacent to the Berths 87-93 parking lot. There is no impact on the City's General Fund.

FINANCIAL POLICIES STATEMENT

The recommendations in this report comply with the Port's Financial Policies.

Attachments

- 1 – Board Report and Resolution No. 22-10033 Approving First Option to Extend Term
- 2 – Board Report and Resolution No. 22-10075 Approving Third Amendment

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