

ADMINISTRATIVE EXEMPTION and TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to the proposed first amendment to the permit with Catalina Channel Express, Inc. which reflects compensation set forth in a negotiated Settlement Agreement and Release of Claims in connection with overpaid percentage rent under a prior permit.

Recommendations for Council action:

1. ADOPT the determination by the Los Angeles Harbor Department that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(f) and 2(i) of the Los Angeles City CEQA Guidelines.
2. APPROVE the first amendment to Permit No. 897 with Catalina Channel Express, Inc. which reflects compensation set forth in a negotiated Settlement Agreement and Release of Claims in connection with overpaid percentage rent under a prior permit.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the proposed first amendment to Permit No. 897 between the Harbor Department and Catalina Channel Express, Inc. will include the negotiated rental changes in the fixed minimum compensation for the five-year period from July 2014 to July 2019, the Consumer Price Index, and percentage compensation (percentage of gross receipts). The annual compensation is phased over the first five years to the contract period to reach the full annual market rent rate of \$128,484 in the fifth year.

Community Impact Statement: None submitted.

**(Council may recess to closed session pursuant to Government Code Section 54956.9(d)(2)/(e)(3) in order to confer with legal counsel in relation to anticipated litigation concerning receipt of Claim Nos. 13-2283, 13-2284, 13-2285 from Catalina Channel Express, Inc.)**

**TIME LIMIT FILE - OCTOBER 17, 2014**

**(LAST DAY FOR COUNCIL ACTION - OCTOBER 17, 2014)**

### SUMMARY

At a regular meeting held on September 23, 2014, your Trade, Commerce and Tourism Committee considered a Harbor Department transmittal relative to proposed first amendment to Permit No. 897 with Catalina Channel Express, Inc. at Berth 95 in the Port of Los Angeles. The CAO reports that in March 2012, the Mayor and Council authorized the Harbor Department to lease different berths to Catalina to continue operating public passenger vessel ferry services and a facility to transport tourist and commuters between San Pedro and Catalina Island under a 25-year contract agreement. The Harbor Department was required to submit a Settlement Agreement and Release of Claims to the Board of Harbor Commissioners to authorize a final settlement of any and all claims, disputes and controversies connected with the relocation to different berths and rental compensation under the original agreement with Catalina. The proposed first amendment sets forth the changes in

the settlement agreement as they relate to the agreed upon relocation. In addition, the proposed first amendment includes changes to the premises and rental compensation for the next five-year period, from July 25, 2014 to July 24, 2019, and continued construction, operation and maintenance of Catalina's facilities. According to the Harbor Department, all other terms and conditions of the permit will remain the same. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
BUSCAINO:	YES
BONIN:	ABSENT

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**