0220-06374-0000

TRANSMITTAL

TO	DATE	COUNCIL FILE NO.
Eugene D. Seroka, Executive Director Harbor Department	3/23/2026	
FROM The Mayor		COUNCIL DISTRICT 15

PROPOSED FIRST AMENDMENT AND ORDER RESETTING COMPENSATION FOR PERMIT NO. 900 BETWEEN THE HARBOR AND WALLENIUS WILHELMSEN LOGISTICS (WWL) VEHICLE SERVICES AMERICA, INC. FOR PREFERENTIAL BERTH ASSIGNMENT NO. 195-200A

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.



MAYOR
(Mitch Kamin for)

Attachment
MWS/JWW/JVW:JS/FVC/SG:10260118t

CAO 649-d

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 4, 2026

CAO File No. 0220-06374-0000
Council File No.
Council District: 15

To: The Mayor

From: for Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department Dated February 11, 2026.

Subject: **PROPOSED FIRST AMENDMENT AND ORDER RESETTING COMPENSATION FOR PERMIT NO. 900 BETWEEN THE HARBOR DEPARTMENT AND WALLENIUS WILHELMSEN LOGISTICS (WWL) VEHICLE SERVICES AMERICA, INC. FOR PREFERENTIAL BERTH ASSIGNMENT NO. 195-200A**

RECOMMENDATIONS

1. Approve the First Amendment and Order Resetting Compensation under Permit No. 900 with Wallenius Wilhelmsen Logistics (WWL) Vehicle Services America, Inc. concerning the use and occupancy of Harbor Department property located at Berths 195-200A, for the purpose of operating a vehicle import/export processing terminal.
    a. Extend the term of Permit 900 from January 1, 2027 to December 31, 2031 with an option for WWL to extend one additional five-year extension for a maximum total term of ten years through December 31, 2036.
    b. Approve the Order Resetting Compensation so that the minimum annual guarantee (MAG) compensation rate shall not be subject to an increase and remain unchanged at $20.8 million from January 1, 2026 through December 31, 2026.

2. Adopt the Los Angeles Harbor Department, Director of Environmental Management, findings that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Classes 1 (14) and 1(18)(d) of the Los Angeles City CEQA Guidelines.

3. Authorize the Harbor Department Executive Director, or designee, to execute the proposed Amendment and Order Resetting Compensation, approved as to form by the City Attorney, and return the proposal to the Harbor Department for further processing, including Board of Harbor Commissioners and City Council consideration.

SUMMARY

The Los Angeles Harbor Department (Harbor Department) requests approval of the proposed first Amendment and Order Resetting Compensation for Permit No. 900 between the Harbor Department and Wallenius Wilhelmsen Logistics Vehicle Services America, Inc. (WWL) concerning the use and occupancy of the Harbor Department property located at Berths 195-200A for the purpose of operating a vehicle import/export processing terminal.

Permit No. 900 is currently set to expire on December 31, 2026. The proposed Amendment will extend the term for five additional years from January 1, 2027 to December 31, 2031, with an additional five-year extension that WWL may exercise with 12 months' prior notice for a potential aggregate term of 10 years.

Pursuant to Executive Directive No. 15, Section A1(a) (Bass Series), CAO review is required as the personal services contract exceeds $40 million. Review and approval by the Office of the Mayor is required prior to consideration by Board of Harbor Commissioners. Pursuant to Charter Section 606 and Los Angeles Administrative Code, Section 10.5(c), City Council approval is required because the cumulative term of the Permit exceeds five years. The Office of the City Attorney completed its review and approved the Amendment as to form. Our office has reviewed the request and recommends approval.

BACKGROUND

In 1986, the Mayor and Council approved the Harbor Department Agreement No. 77-34 with Distribution and Auto Service Inc. (DAS) for an initial 20-year term to allow vehicle processing and logistic services which included the receiving, storing, warehousing, servicing, handling, distributing and assembling of vehicles for import, export and the installation of accessories (C.F. 85-1704). In 2006, the Harbor and DAS extended said Agreement for an additional five years with a final expiration date on October 31, 2011 (C.F. 04-1488). In January 2006, DAS changed its name to WWL, as a result of WWL's acquisition of DAS.

WWL continued operation of the vehicle import and export services under Permit No. 900 (C.F. 14-0185). For the past six years, the WWL facility has processed an average of approximately 120,000 vehicles annually. Vehicles are subsequently transported on approximately 602 railcars from the onsite rail yard and on about 188 carrier trucks per month, which equates to 2,256 trucks per year. WWL operations include up to 225 workers (Teamster & Machinist) across a single work shift. All vehicles are driven on and off the ship by International Longshore and Warehouse Union members

Premises – Permit No. 900 leases Berths 195-200 A to WWL, which is 91.12 acres of waterfront property. The terminal has five berths, a storage capacity for 10,500 vehicles, and a rail yard for loading and unloading vehicles. See Figure 1 on the following page.

Figure 1: WWL Vehicle Services America, Inc. at Berths 195-200A in the Port of Los Angeles



Note: Picture not to scale, refer to Attachment 1 for actual picture.

Original Permit - In 2013, the Mayor and Council approved a new agreement, Permit No. 900, between the Harbor Department and WWL for the lease and use of 91.12 acres of waterfront property to operate a vehicle import and export processing and logistics services terminal. The proposed term was retroactively approved from January 1, 2012 to December 31, 2021 with a renewal option period from January 1, 2022 to December 31, 2026. Under Permit No. 900, WWL is required to pay either (a) a minimum annual guarantee (MAG) compensation, or (b) the tariff charge per the number of vehicles and/or chassis units entering or leaving the facility. Tariff Charges ($31.18 per non-EV vehicle and $26.50 per EV vehicle) have not historically exceeded the MAG. In 2013, the MAG began at $7,250,000 per year and annually increased based on Consumer Price Index Rates and was also subject to five-year rate adjustments. WWL's 2025 MAG was $20,390,400 or $223,775 per acre.

Proposed First Amendment – The proposed First Amendment to Permit No. 900 extends the term for five additional years from January 1, 2027 through December 31, 2031, with an additional five-year extension option. The extension option is exercisable by WWL, with 12 months prior notice, for a potential maximum term of 10 years. The order resetting compensation will suspend Consumer Price Index (CPI)/General Rate Increase (GRI) for the year 2026. Effective calendar year 2027, and every year thereafter, compensation will be subject to GRI or CPI adjustments.

Compensation – The proposed First Amendment to Permit No. 900 includes a compensation reset which will maintain the MAG for 2026 at $20,846,592. There will be no rate change on January 1, 2027, but the MAG will be subject to a CPI increase on July 1, 2027 and annually thereafter. The total potential compensation to the Harbor Department over the total potential 10-year term is $208,465,920, not including CPI.

All other terms and conditions of Permit No. 900 remain the same.

CITY COMPLIANCE

California Environmental Quality Act (CEQA) – The Director of Environmental Management at the Harbor Department has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Classes 1 (14) and 1(18)(d) of the Los Angeles City CEQA Guidelines and recommends that the Board approve this determination. The Board previously adopted a Mitigated Negative Declaration for Permit No. 900 on August 16, 2012.

Pursuant to Executive Directive No. 15, Section A1(a) (Bass Series), CAO review is required as the personal services contract exceeds $40 million. Review and approval by the Office of the Mayor is required prior to consideration by Board of Harbor Commissioners. Pursuant to Charter Section 606 and Los Angeles Administrative Code, Section 10.5(c), City Council approval is required because the cumulative term of the Permit exceeds five years. The Office of the City Attorney completed its review and approved the Amendment as to form. Our office has reviewed the request and recommends approval.

FISCAL IMPACT STATEMENT

There is no impact on the City's General Fund. The net financial impact of suspending the CPI increase for the calendar year 2026 is $290,810. However, under the five-year term extension from January 1, 2027 through December 31, 2031, the Harbor Department expects to receive a minimum of $104.2 million in compensation assuming five years of compensation at the 2026 MAG rate of $20.8 million. Revenues will be deposited in the Harbor Revenue Fund. The recommendations in this report and proposed actions comply with the Department's Financial Policies.

Attachment 1 – Harbor Department Correspondence dated February 10, 2025; Harbor report and proposed First Amendment to Permit No. 900.

MWS/JWW/JVW:JS/FVC/SG:10260118