

0150-10164-0001

**TRANSMITTAL**

TO Eugene D. Seroka, Executive Director Harbor Department	DATE 07/08/2025	COUNCIL FILE NO.
FROM The Mayor		COUNCIL DISTRICT 15

**RESOLUTION NO. 25-10555, ORDER NOS. 25-7401 AND 25-7402, AND PROPOSED  
SECOND AMENDMENT APPROVING REINSTATEMENT AND OPTION TO EXTEND  
PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS  
TO RETROACTIVELY EXTEND THE TERM BY FIVE YEARS AND ADJUST  
COMPENSATION**

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



MAYOR

(Carolyn Webb de Macías for)

Attachment

MWS:PJH:JVW:JAS:10260013t

**REPORT FROM**

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

Date: July 3, 2025

CAO File No. 0150-10164-0001

Council File No.

Council District: 15

To: The Mayor

From: Matthew W. Szabo, City Administrative Officer

Reference: Correspondence from the Harbor Department dated June 12, 2025; Resolution No. 25-10555 from the Board of Harbor Commissioners adopted at its June 12, 2025 meeting; referred by the Mayor for a report on June 13, 2025

Subject: **RESOLUTION NO. 25-10555, ORDER NOS. 25-7401 AND 25-7402, AND PROPOSED SECOND AMENDMENT APPROVING THE REINSTATEMENT AND OPTION TO EXTEND PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS TO RETROACTIVELY EXTEND THE TERM BY FIVE YEARS AND ADJUST COMPENSATION**

**RECOMMENDATIONS**

1. Approve Los Angeles Harbor Department (Harbor Department) Resolution No. 25-10555 and Order Nos. 25-7401 and 25-7402 authorizing the proposed Second Amendment to Permit No. 905 between the Harbor Department and Fisherman's Pride Processors, Inc. DBA Neptune Foods which reinstates Permit No. 905 and retroactively extends the term by five years from March 27, 2024 through March 26, 2029, subject to a one-time option extension fee of \$127,808.36 and conditions listed in the Orders, to continue operating a seafood processing facility. The Orders will also increase the minimum annual rent paid by \$180,016.02 from \$1,064,060.23 to \$1,244,076.25 and percentage rent of fish products from \$0.005/pound to \$0.0058/pound and squid and other protein from \$0.001/pound to \$0.0012/pound, retroactively effective March 27, 2024, subject to annual changes in the Consumer Price Index;
2. Adopt the June 12, 2025 Board of Harbor Commissioners findings that the proposed action is an activity for which the underlying project 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
3. Authorize the Harbor Department Executive Director, or designee, to execute the proposed Second Amendment and two Orders, already approved as to form by the City Attorney, and return the Resolution and Orders to the Harbor Department for further processing, including Council consideration.

## SUMMARY

The Los Angeles Board of Harbor Commissioners (Board) requests approval of its June 12, 2025 Resolution No. 25-10555 and Order Nos. 25-7401 and 25-7402 (Attachment 1) which authorize the proposed Second Amendment to Permit No. 905 (Permit) between the Los Angeles Harbor Department (Harbor Department) and Fisherman's Pride Processors, Inc. DBA Neptune Foods (Neptune) to allow Neptune to continue to operate a seafood processing facility. Order No. 25-7401 authorizes the reinstatement of the Permit, which expired on March 26, 2024, and extends the term retroactively by five years, from March 27, 2024 through March 26, 2029, for a total term of 15 years, with one option to extend by an additional five years for a total potential aggregate term of 20 years. Order No. 25-7402 will increase the minimum annual rent by \$180,016.02 from \$1,064,060.23 to \$1,244,076.25 and percentage rent of fish products from \$0.005/pound to \$0.0058/pound and squid and other protein from \$0.001/pound to \$0.0012/pound, subject to annual changes in the Consumer Price Index (CPI) over the five-year term, retroactive to March 27, 2024. The proposed Second Amendment to the Permit (Amendment) will increase the option fee for the first option period by \$97,170.36 from \$30,638 to \$127,808.36, and the option fee for the second period, should Neptune exercise the second option, by \$108,104.76 from \$33,006 to \$141,110.76. All other terms and conditions of the Permit remain unchanged.

Neptune is the sole provider maintaining and operating a seafood processing facility, supports 50 to 60 jobs, and is integral to the success of the commercial fishing industry at the Port of Los Angeles (POLA). In accordance with Article 1, Sections 3.2.2 and 3.2.3 of the Permit, Neptune notified the Harbor Department and exercised its unilateral right to the first of two five-year extension options, remitted the Option Fee in the amount of \$127,808.36, and satisfied the conditions detailed in Order No. 25-7401 to be deemed a tenant in good standing.

The Office of the City Attorney has reviewed and approved the Amendment and two Orders as to form. Pursuant to Charter Section 606, Council approval is required due to the cumulative term of the Permit exceeding five years. Our Office has reviewed the request and recommends approval.

## BACKGROUND

On March 25, 2014, Council approved the February 6, 2014 Board action (Order No. 14-7160) to authorize the original Permit with Neptune to allow for the construction, operation, and maintenance of a seafood processing facility (CF# 14-0322). The Permit was for a term of ten years, from March 27, 2014 through March 26, 2024, with two, five-year options to renew and reset compensation, with a total maximum term of 20 years. During their first two years of operations, Neptune made Permit approved modifications to the facility including cold storage modernization, roof replacement, replacement of the refrigeration system, and new construction of administrative offices, and they were given a \$1,500,000 construction rent credit for these improvements. During the first term, Neptune also made unauthorized modifications to the property, which are discussed later in this report.

*Premises:* The current premises comprises 193,825 square feet of Harbor Department property in the Port of Los Angeles located at 888 Ways Street, San Pedro, CA 90731. See Figure 1 below:

**Figure 1: Fisherman's Pride Processors, Inc. DBA Neptune Foods**



*Note: Picture is not to scale. Refer to Transmittal 1 in Attachment 1 for actual Figure.*

**First Amendment:** The first amendment became effective on March 27, 2020, and authorized Neptune to permanently add Area 5 (the Butcher Room) consisting of 4,950 square feet to the Permit, bringing the total to 193,825.

**Previous Board Action for Proposed Second Amendment:** The proposed Amendment was conditionally approved by Board Resolution No. 24-10308 on February 8, 2024 to add five years to the Permit from March 27, 2024 through March 26, 2029, for a total term of 15 years, with one additional option to extend the term by an additional five years and reset compensation. Neptune was expected to cure the infractions required by Order No. 24-7360 by March 26, 2024 for the extension to take effect, as discussed below. The conditions were not met by the deadline, so the action did not take effect, and the Permit expired and went into holdover status (a month-to-month term).

**Current Board Action for Proposed Second Amendment:** The proposed Amendment, and Order

Nos. 25-7401 and 25-7402, approved by the Board through Resolution No. 25-10555 on June 12, 2025, will reinstate Permit No. 905 and retroactively extend the term for five years, from March 27, 2024 to March 26, 2029, increase the option fee, and adjust compensation effective March 27, 2024. All other terms and conditions of the Permit remain the same.

*Good Standing/Conditions to Extend Permit:* At the time Neptune exercised its option to extend the Permit, which was required between 60 to 180 days prior to expiration, it was not a tenant in good standing due to a series of unauthorized improvements and trespass activity. Prior to the Permit expiration on March 26, 2024, Neptune had resolved the trespassing infractions, and made significant progress to cure the unauthorized improvements, such as securing the necessary permits and finalizing repairs. The proposed Amendment and original expired Order No. 24-7360 to extend the Permit were conditioned on Neptune fully remedying the unauthorized improvements by March 26, 2024, otherwise the Permit would expire.

The conditions that Neptune must comply with to extend the Permit, as listed in the original expired Order No. 24-7360 and the current updated Order No. 25-7401 are as follows:

- a) The structure built by Tenant without permits has been removed in its entirety and the footprint restored to the condition it was in prior to being constructed.
- b) The “Butcher Room”, also known as Parcel No. 5 of Permit No. 905, has been inspected by a Los Angeles Department of Building and Safety (LADBS) inspector for properly installed electrical and refrigeration, and any violations as cited by said inspector have been corrected by Tenant. Tenant will provide the Harbor Department with a copy of the certificate of occupancy for the “Butcher Room” issued by LADBS.
- c) Tenant shall construct a chain-link fence, approximately 44.30 feet long and 8’ tall, located at the northernmost edge of Parcel 3 as shown in the premises map for Revocable Permit No. 20-10. Said fence shall be built to standard building code using drawings as previously provided to Tenant’s on-site facility manager. Said fence will separate Harbor Department land and Cal Marine premises from Fisherman’s Pride premises.

Neptune had corrected two of the three conditions by March 26, 2024. Item (b) was the only condition still pending, which was not resolved prior to the Permit expiration. The Permit expired and went into a holdover status, or a month-to-month term.

In August 2024, Neptune met all conditions, including obtaining all approvals and documentation from LADBS, and subsequently requested reinstatement of the Permit. Neptune is now considered a tenant in good standing.

*Compensation:* Compensation under the Permit includes base rent subject to the annual CPI and five-year readjustments, and percentage rent which varies each year depending on the number of fish caught.

Per the terms of the Permit, Neptune has two options to renew the Permit for two successive five-year periods for a total aggregate term of 20 years. To exercise this option under the Permit, Neptune must make a payment to the Harbor Department in the amount of 10 percent of the estimated base rent of the first year of each option period (option fee), which was \$30,638 for the

first option period and \$33,006 for the second option period.

Under this proposed Amendment, the Harbor Department is increasing the option fee by \$97,170.36 from \$30,638 to \$127,808.36 for the first option period to reflect 10 percent of the actual base rent due over the past 12-month period rather than an estimate. The option fee for the second option period will also increase by \$108,104.76 from \$33,006 to \$141,110.76. The option fee for the first option period in the amount of \$127,808.36 was paid by Neptune on April 28, 2025.

Order No. 25-7402 will increase the minimum annual rent by \$180,016.02 from \$1,064,060.23 to \$1,244,076.25, and percentage rent of fish products from \$0.005/pound to \$0.0058/pound and squid and other protein from \$0.001/pound to \$0.0012/pound, both subject to annual increases in CPI over the five-year term, retroactive to March 27, 2024.

## **CITY COMPLIANCE**

*California Environmental Quality Act (CEQA):* On June 12, 2025, the Board determined that the proposed action of approving the Amendment and Orders is an activity for which the underlying project has been previously evaluated pursuant to the requirements of CEQA. The activity covered under the Permit was previously assessed in Addendum 2 to the Fisherman's Pride Processors, Inc. Final Initial Study and Mitigated Negative Declaration (SCH# 2013121027) and was considered by the Board of Harbor Commissioners on June 4, 2020. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

The Office of the City Attorney has reviewed and approved the proposed Amendment and two Orders as to form. Pursuant to Charter Section 606, Council approval is required due to the cumulative term of the Permit exceeding five years. Our Office has reviewed the request and recommends approval.

## **FISCAL IMPACT STATEMENT**

Approval of the two proposed Orders and Second Amendment to Permit No. 905 between the Harbor Department and Fisherman's Pride Processors, Inc. DBA Neptune Foods, will increase the one-time option extension fee, minimum annual base rent, and percentage rent. Total revenues to be received by the Harbor Department in Year 1 are \$1,371,884.61, and a minimum of \$6,348,189.61 over the five-year term. Percentage rent varies each year based on the number of fish caught. Base and percentage rent are subject to annual increases in the Consumer Price Index, effective March 27, 2024 to March 26, 2029. Revenues will be deposited in the Harbor Revenue Fund. The recommendations in this report and proposed actions comply with the Harbor Department's Financial Policies. There is no impact on the City's General Fund.

Attachment 1 – Harbor Department Correspondence dated June 12, 2025; Harbor report and proposed Resolution No. 25-10555 dated May 27, 2025, and proposed Order Nos. 25-7401 and 25-7402

## CITY OF LOS ANGELES

## INTER-DEPARTMENTAL CORRESPONDENCE

DATE: June 12, 2025

TO: The Honorable Karen Bass, Mayor  
City of Los Angeles

FROM: Amber M. Klesges, Commission Secretary  
Harbor Department / Mail Stop 260 

SUBJECT: **CHARTER SECTION 606 – REINSTATEMENT AND FIVE-YEAR  
COMPENSATION RESET FOR PERMIT NO. 905 WITH FISHERMAN'S  
PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS**

In accordance with Executive Directive No. 4, attached for your review is Resolution No. 25-10555 authorizing approval of Order Nos. 25-7401 and 25-7402 with Fisherman's Pride Processors, Inc. dba Neptune Foods which was approved by the Board of Harbor Commissioners on June 12, 2025.

It is respectfully recommended for the City Administrative Office to review, report, and return to the Harbor Department for further processing to City Council for final consideration.

Please feel free to contact me for any inquiries regarding the transmitted documents at (310) 732-2642 or [aklesges@portla.org](mailto:aklesges@portla.org)

cc: Erick Martell, Mayor's Office  
Kevin Brunke, CD 11  
Aksel Palacios, CD 15  
Anissa Raja, CD 15  
Jacqueline Wagner, CAO Office  
Jennifer Sapone, CAO Office  
Stephanie Magnien, Harbor Representative  
City Attorney

AK:CB



6.12.25  
#5

RECOMMENDATION APPROVED;  
RESOLUTION 25-10555 ADOPTED; AND  
ORDER NOS. 25-7401 AND 25-7402 ADOPTED;  
BY THE BOARD OF HARBOR COMMISSIONERS

June 12, 2025  
AM KLESGES  
AMBER M. KLESGES  
Board Secretary



**DATE: MAY 27, 2025**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. 25-10555 – REINSTATEMENT AND FIVE-YEAR COMPENSATION RESET FOR PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS**

**SUMMARY:**

Staff requests approval of: (i) the Second Amendment to Permit No. 905 (Permit) with Fisherman's Pride Processors, Inc. dba Neptune Foods (Neptune) concerning the first of two five-year options to extend the term; (ii) an Order approving the first option to extend the term from March 27, 2024, to March 26, 2029; and, (iii) an Order resetting compensation under the Permit for the extension period.

Approval of the proposed action will increase minimum annual rent by approximately 17 percent from \$1,064,060.23 to \$1,244,076.25 and increase percentage rent of fish products from \$0.005/pound to \$0.0058/pound and other protein from \$0.001/pound to \$0.0012/pound, effective March 27, 2024. Thereafter, annual increases for percentage rent and minimum annual rent will be applied based on the year-over-year change in the Consumer Price Index (CPI), subject to a floor of zero percent. The Amendment and Orders are subject to Neptune's payment of the \$127,808.36 option fee as a condition of the effectiveness of the proposed extension.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined 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;
2. Approve the Second Amendment to Permit No. 905 retroactive to March 25, 2024;
3. Approve the Order extending the term of Permit No. 905 for five additional years with Fisherman's Pride Processors, Inc, dba Neptune Foods retroactive to March 27, 2024;
4. Approve the Order resetting compensation under Permit No. 905 with Fisherman's Pride Processors, Inc, dba Neptune Foods retroactive to March 27, 2024;
5. Direct the Board Secretary to transmit the Second Amendment and Orders to Permit No. 905 to the City Council for approval pursuant to Section 606 of the City Charter;



DATE: MAY 27, 2025

PAGE 2 OF 3

SUBJECT: REINSTATEMENT AND FIVE-YEAR COMPENSATION RESET FOR PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC.

6. Authorize the Executive Director to execute and the Board Secretary to attest to the Second Amendment and Orders upon approval by the Board and City Council; and
7. Adopt Resolution No. 25-10555, Order Nos. 25-7401, and 25-7402.

**DISCUSSION:**

Background – The Permit with Neptune took effect on March 27, 2014, for a term of 10 years with two, five-year options, exercisable by the tenant for a total aggregate term of 20 years. The First Amendment to P905 added an additional 4,950 sq. ft. to the premises for a total square footage of 193,825 of improved land located at 888 Ways Street on Terminal Island (Transmittal 1). Neptune is utilizing the site for the purpose of the construction, operation, and maintenance of a seafood processing facility.

Previous Board Action – On February 8, 2024, the Board conditionally approved a Second Amendment and Order approving the option to extend the term of the Permit with Neptune (Transmittal 2) by five years from March 27, 2024, through March 26, 2029. The Board action included conditions which required that Neptune cure various permit infractions concerning unpermitted alterations to the premises by March 27, 2024, in order for the extension to take effect. Although all conditions were eventually resolved, they were not done by the deadline of March 27, 2024, and so the action did not take effect, and the permit expired and went into holdover status (i.e. a month-to-month term).

In August 2024, Neptune cured the conditions, including obtaining all applicable approvals from Los Angeles Building and Safety, and subsequently requested reinstatement of the Permit, which led to the need for this action. Neptune is now a tenant in good standing. Staff recommends the Board approve the reinstatement so that there are no disruptions to commercial fishing operations.

Current Action – The Permit reinstatement requires the Board to approve the following three instruments:

i) Second Amendment: A Permit amendment (Transmittal 3) is required to modify the due date and increase the amount for the option fee to be paid in connection with exercising the extension.

ii) Order – Extension: An Order is required per the terms of the Permit to effectuate the first five-year extension as of March 27, 2024 (Transmittal 4).

iii) Order - Rental Adjustment: As part of the proposed reinstatement and pursuant to the terms of the Permit, a compensation reset is required for the five-year period commencing March 27, 2024, and ending March 26, 2029 (Transmittal 5). Both the minimum annual rent and additional percentage rent will increase as detailed below.

DATE: MAY 27, 2025

PAGE 3 OF 4

**SUBJECT: REINSTATEMENT AND FIVE-YEAR COMPENSATION RESET FOR PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC.**

Reset Terms - Staff evaluated rent in effect prior to the reset period and determined it requires an increase to reflect the fair market rental value of the premises for the reset period. Provided below is a summary of material terms of the proposed Second Amendment and Orders.

<u>Provision</u>	<u>Current as of expiration</u>	<u>Proposed</u>
Term	Permit is on Holdover subject to termination with 30 days' prior notice.	5-year extension effective March 27, 2024, though March 26, 2029
First Extension Option Fee.	\$30,638	\$127,808.36 (paid on April 28, 2025)
Second Extension Option Fee	\$33,006	\$141,110.76
Minimum Annual Rent	\$1,064,060.23 Per Year <sup>1</sup> ~\$4.28/sf/year for paved land ~\$7.91/sf/year for buildings	\$1,244,076.25 Per Year <sup>1</sup> \$5.00/sf/year for paved land \$9.25/sf/year for buildings
Percentage Rent	\$0.005/Fish/lb. products loaded across the wharf \$0.001/Squid & other Protein/lb. brought into the facility	\$0.0058/Fish/lb. <sup>1</sup> products loaded across the wharf \$0.0012/ Squid & other Protein /lb. <sup>1</sup> brought into the facility

<sup>1</sup> Subject to annual CPI increases per permit

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Order and Second Amendment and Order Resetting Compensation with Neptune, which is an activity for which the underlying project has been previously assessed in Fisherman's Pride Processors Inc. Final Initial Study and Mitigated Negative Declaration (SCH# 2013121027), which was certified by the Board on June 4, 2020. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Second Amendment and order granting the first extension will enable Neptune to continue its occupancy and will result in the assessment of a one-time extension fee in the amount of \$127,808.36.

Approval of the proposed order resetting compensation for Permit No. 905 for the period of March 27, 2024, to March 26, 2029, will increase minimum annual rent for the first year from \$1,064,060.23 to \$1,244,076.25, a 16.92 percent increase. Thereafter, minimum

DATE: MAY 27, 2025

PAGE 4 OF 4

SUBJECT: REINSTATEMENT AND FIVE-YEAR COMPENSATION RESET FOR  
PERMIT NO. 905 WITH FISHERMAN'S PRIDE PROCESSORS, INC.

annual rent will be increased by the year-over-year change in CPI subject to a floor of zero percent.

Effective March 27, 2024, the percentage rent component of compensation will increase the per pound rate for fish products loaded across the wharf from \$0.005 to \$0.0058, and the per pound of other protein brought into the facility from \$0.001 to \$0.0012. Thereafter, both percentage rent components will be subject to annual CPI adjustments through March 26, 2029.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed Second Amendment, Order extending the term, and Order resetting compensation under Permit No. 905 as to form and legality.

**TRANSMITTALS:**

1. Site Map
2. 2024 Board Action
3. Second Amendment
4. Order extending the term
5. Order resetting compensation

FIS Approval: JS

CA Approval: SO

*Marisa L. Katnich*  
MARISA L. KATNICH  
Director of Cargo & Industrial Real Estate

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
Executive Director

ES:MD:MK:PD:ga  
Author: Paul Demboski  
BL1080ga



# FISHERMAN'S PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS



Transmittal 1

0 0.05 0.1 0.2  
Miles

Site Map

MAY 2025







Executive Director's

Report to the

Board of Harbor Commissioners

**DATE: JANUARY 24, 2024**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – SECOND AMENDMENT AND  
ORDER APPROVING THE OPTION TO EXTEND PERMIT NO. 905 WITH  
FISHERMAN'S PRIDE PROCESSORS, INC DBA NEPTUNE FOODS**

**SUMMARY:**

Staff requests approval of an Order and Second Amendment concerning the first of two five-year options to extend Permit No. 905 (Permit 905) with Fisherman's Pride Processors, Inc, dba Neptune Foods, (Neptune) for the five-year period of March 27, 2024, through March 26, 2029. The Order and Amendment are subject to payment of the \$105,026.13 option fee.

Under Permit 905, Neptune operates a seafood processing facility on Terminal Island for a term of ten years with two, five-year options to renew, for a total potential aggregate term of 20 years. The current monthly rent is \$88,671.69.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined 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;
2. Approve the Second Amendment to Permit No. 905;
3. Approve the Order extending the term of Permit No. 905 for five additional years with Fisherman's Pride Processors, Inc, dba Neptune Foods;
4. Direct the Board Secretary to transmit the Second Amendment and the Order to Permit No. 905 to the City Council for approval pursuant to Section 606 of the City Charter;
5. Authorize the Board Secretary to attest to the Order approving the extension of Permit No. 905; and
6. Adopt Resolution No. \_\_\_\_\_ and Order No. \_\_\_\_\_.

DATE: JANUARY 24, 2024

PAGE 2 OF 4

SUBJECT: SECOND AMENDMENT AND ORDER TO APPROVE THE EXTENSION  
OF TERM TO PERMIT NO. 905 WITH FISHERMAN'S PRIDE

**DISCUSSION:**

Background - Permit 905 was granted to Neptune effective March 27, 2014, for a term of ten years with two, five-year options, exercisable by the tenant (maximum term 20 years). The premises are comprised of 193,825 square feet of City of Los Angeles Harbor Department (Harbor Department) property located at 888 Ways Street in Fish Harbor on Terminal Island (Transmittal 1) for the construction, operation, and maintenance of a seafood processing facility.

Extension Option - Per the terms of the Permit, Neptune has two unilateral options to renew the Permit for two successive five-year periods for a total aggregate term of 20 years. Neptune can exercise each option no sooner than 180 days and no later than 60 days prior to the expiration provided (a) it has made a payment to the Harbor Department of 10 percent of the estimated annual base rent of the first year of each option period (i.e. \$30,638 for the first option period and \$33,006 for the second option period) (Option Fee) on or before the effective date of the Permit; and (b) the Harbor Department determines that it is a tenant in good standing, as defined in the Leasing Policy of the Harbor Department. Per the terms of the Permit, these extensions become effective only upon adoption of an Order of the Board of Harbor Commissioners granting such extension.

**Need for Amendment**

- a) Option Fee Due Date: Neptune notified the Harbor Department of its desire to exercise the first extension option and remitted the Option Fee; however, it remitted the Option Fee at the time of exercising the option, rather than prior to the effective date of the Permit. Neptune requested that the Harbor Department honor the extension request despite the late payment. For the Harbor Department to process the extension request, a Permit amendment is required to modify the due date for the option fee as set forth in this action. Due to the need for this amendment, staff also increased the option fee from \$30,638 to \$105,026.13 for the first option period to reflect 10 percent of actual base rent due over the past 12-month period rather than use an estimate. Also, the option fee for the second option period is increased from \$33,006 to \$124,858.04 under the proposed amendment.
- b) Good Standing Review. At the time Neptune exercised the option it was not a tenant in good standing due to a series of unauthorized improvements and trespass activity. Since that time, Neptune has resolved the trespassing infractions, and has made significant progress to cure the unauthorized improvements, such as securing the necessary permits and finalizing repairs. Staff is confident the work will be completed by the March 27, 2024, expiration date. The proposed Order, which affects the extension, is conditional and takes effect upon Neptune fully remedying the unauthorized improvements. If the infractions are not cured by March 27, 2024, the permit will expire.



**DATE: JANUARY 24, 2024**

**PAGE 3 OF 4**

**SUBJECT: SECOND AMENDMENT AND ORDER TO APPROVE THE EXTENSION OF TERM TO PERMIT NO. 905 WITH FISHERMAN'S PRIDE**

Notwithstanding the above permit infractions, staff determined it is in the best interest of the Harbor Department to process the extension as requested, on a conditional basis. Neptune's operations are integral to the success of the commercial fishing industry at the Port of Los Angeles and as well as retaining jobs associated with that business sector.

Current Compensation – As required by the terms of Permit 905, the adjustment of rent for the upcoming five-year period of March 27, 2024, through March 26, 2029, is required. Negotiations are underway. Neptune's compensation under Permit 905 has two components: base rent and percentage rent. Base rent is subject to annual Consumer Price Index and five-year readjustments. Neptune currently pays a monthly base rent of \$88,671.69, excluding percentage rent which varies every year depending upon the amount of fish caught. Staff will present a separate and independent action to reset compensation at an upcoming Board meeting.

Proposed Action – Staff recommends the Board approve the Order and Second Amendment.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Order and Second Amendment with Neptune to approve tenant's first option to extend Permit No. 905 for a five-year period, which is an activity for which the underlying project has been previously assessed in Addendum 2 to the Fisherman's Pride Processors Inc. Final Initial Study and Mitigated Negative Declaration (SCH# 2013121027), which was considered by the Board of Harbor Commissioners on June 4, 2020. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Order and Second Amendment will enable Neptune's continued occupancy of the premises for an additional five years from March 27, 2024, to March 26, 2029, under Neptune's first extension option within Permit No. 905 pending the completion of needed repairs. If the five-year extension is granted, Neptune will pay a one-time extension fee of \$105,026.13, and will continue to pay base rent of at least \$88,671.69 per month, pending completion of compensation reset negotiations for the five-year period from March 27, 2024, through March 26, 2029.

DATE: JANUARY 24, 2024

PAGE 4 OF 4

SUBJECT: SECOND AMENDMENT AND ORDER TO APPROVE THE EXTENSION  
OF TERM TO PERMIT NO. 905 WITH FISHERMAN'S PRIDE

CITY ATTORNEY:

The Order and Second Amendment to approve the five-year extension under Permit No. 905 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Order
3. Second Amendment

FIS Approval: MB  
CA Approval: SD

*Marisa L. Katnich*  
MARISA L. KATNICH  
Director of Cargo & Industrial Real Estate

*Michael DiBernardo*  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

*Marla Bleavins*  
EUGENE D. SEROKA  
Executive Director

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SECOND AMENDMENT TO PERMIT NO. 905  
BETWEEN THE CITY OF LOS ANGELES AND  
FISHERMAN'S PRIDE PROCESSORS, INC.

This SECOND AMENDMENT to Permit No. 905 is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation ("City"), acting by and through its Board of Harbor Commissioners ("Board"), and FISHERMAN'S PRIDE PROCESSORS, INC. ("Tenant") as follows:

1. Section 3.2.2 is amended and replaced in its entirety as follows:

"3.2.2 Extension Option. Tenant shall have two (2) options to renew this Agreement for five (5) year periods each (each referred to as an "Option Period") provided (a) Tenant has made a payment to the City of ten percent (10%) of the estimated annual base rent of the first year of each Option Period ("Option Fee") and (b) the Harbor Department determines that Tenant is a tenant in good standing as defined in the Leasing Policy of the Harbor Department. For the first option period, the Option Fee shall be \$127,808.36, due on or before the effective date of this Second Amendment. For the second option period, the Option Fee shall be \$141,110.76, due upon Tenant's exercise of the second option period pursuant to Section 3.2.3, as amended. The foregoing Option Fees shall not apply to, but is in addition to, future rent and shall not be refundable."

2. Section 3.2.3 is amended and replaced in its entirety as follows:

"3.2.3 Procedure for Exercising an Option. For the first Option Period, Tenant must notify the Executive Director, in writing, no sooner than 180 days, nor later than 60 days, prior to the Expiration Date, of its election to exercise the applicable five-year extension option. If Tenant exercises this first Option Period, then the defined Term of this Agreement shall include the first Option Period and the Expiration Date shall be the end of the exercised Option Period.

For the second Option Period, Tenant must notify the Executive Director, in writing, no sooner than 180 days, nor later than 60 days, prior to the end of the first Option Period, of its election to exercise the applicable five-year extension option. If Tenant exercises this second Option Period, then the defined Term of this Agreement shall include all Option Periods and the Expiration Date shall be the end of the last exercised Option Period.

All terms and conditions of this Agreement shall apply to the Option Periods of the Term. These extensions shall become effective only upon adoption of an order of the Board of Harbor Commissioners granting such extension."

3. Section 4.3.1 is amended to replace all references to "MAR" with "Base Rent."
4. The terms of this Second Amendment shall be deemed operative as of March 25, 2024, subject to approval by the City Council.

Except as amended herein, all remaining terms and conditions of Permit No. 905 shall remain in full force and effect.

*(Signature page follows)*

IN WITNESS THEREOF, the parties hereto have executed this Second Amendment to Permit No. 905 on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its  
Board of Harbor Commissioners

Dated: \_\_\_\_\_

By \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director

Attest \_\_\_\_\_  
AMBER M. KLESGES  
Board Secretary

FISHERMAN'S PRIDE PROCESSORS, INC.

Dated: \_\_\_\_\_

By \_\_\_\_\_  
Hector Poon CEO  
(Print/type name and title)

By \_\_\_\_\_  
Martin Tsai, Sec  
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

5 - 1, 2025  
HYDEE FELDSTEIN SOTO, City Attorney  
STEVEN Y. OTERA, General Counsel

By: \_\_\_\_\_  
MINAH PARK, Deputy

ORDER NO. 25-7401

An Order of the Board of Harbor Commissioners of the CITY OF LOS ANGELES ("Board") granting the first extension option for five (5) years to FISHERMAN'S PRIDE PROCESSORS, INC. ("Tenant") for Permit No. 905, as amended by the Second Amendment.

WHEREAS, pursuant to Section 3.2.2 of Permit No. 905, the Initial Term expired on March 26, 2024, and provides the Tenant two (2) separate options to renew for five (5) year periods each;

WHEREAS, pursuant to Section 3.2.3 of Permit No. 905, Tenant notified the Executive Director, in writing, of its election to exercise the first extension option for five (5) years; and

WHEREAS, pursuant to Section 3.2.2 of Permit No. 905 and the Second Amendment, Tenant has paid the First Option Fee in the amount of \$127,808.36 and has satisfied the conditions stated below to be deemed a tenant in good standing;

NOW, THEREFORE, IT IS HEREBY ORDERED by the Board of Harbor Commissioners of the City of Los Angeles, as follows:

1. City grants to Tenant the first extension option to Permit 905 for five (5) years, to be effective March 27, 2024, subject to the following conditions which have been completed:
  - a) The structure built by Tenant without permits has been removed in its entirety and the footprint restored to the condition it was in prior to being constructed.
  - b) The "Butcher Room", also known as Parcel No. 5 of Permit No. 905, has been inspected by a Los Angeles Department of Building and Safety (LADBS) inspector for properly installed electrical and refrigeration, and any violations as cited by said inspector have been corrected by Tenant. Tenant will provide the Harbor Department with a copy of the certificate of occupancy for the "Butcher Room" issued by LADBS.
  - c) Tenant shall construct a chain-link fence, approximately 44.30 feet long and 8' tall, located at the northernmost edge of Parcel 3 as shown in the premises map for Revocable Permit No. 20-10. Said fence shall be built to standard building code using drawings as previously provided to Tenant's on-site facility manager. Said fence will separate Harbor Department land and Cal Marine premises from Fisherman's Pride premises.
2. The Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles.

*(continued on following page)*



I HEREBY CERTIFY that the foregoing Order  
was adopted by the Board of Harbor  
Commissioners of the City of Los Angeles at its  
meeting of June 12, 2025.

  
AMBER KLESGES  
Board Secretary

APPROVED AS TO FORM

5-27, 2025  
HYDEE FELDSTEIN SOTO, City Attorney  
STEVEN Y. OTERA, General Counsel

By:   
MINAHPARK, Deputy

ORDER NO. 25-7402

An Order of the Board of Harbor Commissioners of the City of Los Angeles ("Board") resetting compensation to be paid by FISHERMAN'S PRIDE PROCESSORS, INC., dba NEPTUNE FOODS, a California corporation ("Tenant"), pursuant to Permit No. 905 ("Permit"), for the five-year period commencing March 27, 2024 and ending March 26, 2029.

WHEREAS, the Permit grants Tenant the use of certain Harbor Department property for a 10-year term with two 5-year options to renew; and

WHEREAS, Section 4.3.2 of the Permit calls for the compensation to be paid by Tenant to the Board to be readjusted every five years; and

WHEREAS, pursuant to Section 4.3.2.1 of the Permit, City and Tenant have mutually agreed as to the minimum annual rent to apply to the five-year period commencing March 27, 2024 and ending March 26, 2029;

NOW, THEREFORE, IT IS HEREBY ORDERED by the Board as follows:

Section 1. For the period of March 27, 2024 through March 26, 2029, Minimum Annual Rent (Permit Section 4.2.1), including the added premises in the First Amendment, shall be reset to \$1,244,076.25, paid in twelve equal installments, subject to annual Consumer Price Index adjustments pursuant to Section 4.3.1 of the Permit.

Section 2. For the period of March 27, 2024 through March 26, 2029, Percentage Rent (Permit Section 4.2.2) shall be reset at \$.0058 per pound for fish products loaded across the wharf and \$0.0012 per pound of any other protein product processed and brought into the facility by any means other than over the wharf, subject to annual Consumer Price Index adjustments pursuant to Section 4.3.1 of the Permit.

Section 3. The Board Secretary shall certify to the adoption of this Order by the Board of Harbor Commissioners of the City of Los Angeles.

I HEREBY CERTIFY THAT the foregoing Order as adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting held on

June 12, 2025



AMBER M. KLESGES  
Board Secretary

*[Signatures on the following page]*

FISHERMAN'S PRIDE PROCESSORS, INC., dba NEPTUNE FOODS hereby consents to the foregoing adjustment of rent as described above and agrees to pay to the Board of Harbor Commissioners of the City of Los Angeles the annual rent as set forth above for the five-year period of March 27, 2024 through March 26, 2029.

Dated: \_\_\_\_\_

FISHERMAN'S PRIDE PROCESSORS, INC.,  
dba NEPTUNE FOODS

By: 


Hector Poon CEO  
(Print Name and Title of Officer)

Attest: 

Martin Tsai Sec  
(Print Name and Title)

APPROVED AS TO FORM AND LEGALITY

5-1, 2025  
HYDEE FELDSTEIN SOTO, City Attorney  
STEVEN Y. OTERA, General Counsel

By:   
MINAH PARK, Deputy