

ORDER NO. 22-7334

An Order of the Board of Harbor Commissioners of the City of Los Angeles approving and consenting to the transfer by H.S. SEAFOOD, INC., a California corporation, of all right, title, and interest in and to Permit No. 919 to STANDARD FISHERIES CORPORATION, a California corporation.

WHEREAS, Permit No. 919 was granted by City of Los Angeles to H.S. SEAFOOD, INC. effective February 28, 2018; and

WHEREAS, H.S. SEAFOOD, INC. has submitted a Transfer Notice pursuant to Section 113.3 of Permit No. 919;

THE BOARD OF HARBOR COMMISSIONERS OF THE CITY OF LOS ANGELES DOES HEREBY ORDER AS FOLLOWS:

Section 1. The Board of Harbor Commissioners of the City of Los Angeles (City) hereby approves and consents to the transfer by H.S. SEAFOOD, INC. (Transferor) of all right, title, and interest in Permit No. 919 to STANDARD FISHERIES CORPORATION (Transferee), provided that:

- (a) The consent and approval hereby expressed shall not waive any of the City's rights under Permit No. 919 as to the Transferor or the Transferee, nor shall the same be deemed or construed in any way to amend, extend, abridge, or interpret any of the provisions of Permit No. 919; and
- (b) The consent and approval hereby expressed is conditioned upon the Transferee depositing with the Board the full Security Deposit required under Section 103.2.6.1 of Permit No. 919; and
- (c) Transferee shall agree to be bound by all terms and conditions of Permit No. 919.

Section 2. The Transferee is further granted the two (2) successive options to extend the initial term of Permit No. 919 as set forth in Section 3.2 of Permit No. 919. Each option is for a one (1) year renewal and must be exercised, if at all, in strict compliance with the provisions of Permit No. 919.

Section 3. A true copy of the Transfer Notice shall be filed in the office of the Secretary of the Board of Harbor Commissioners.

I HEREBY CERTIFY THAT the foregoing Order was adopted by the Board of Harbor Commissioners of the City of Los Angeles at its meeting held on October 20, 2022.

Amber M. Klesges
Digitally signed by Amber M. Klesges
Date: 2022.11.07 14:09:26 -08'00'

AMBER M. KLESGES
Board Secretary

STANDARD FISHERIES CORPORATION accepts the foregoing Order and agrees to abide by its terms

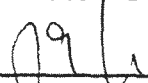
Dated: Aug 18, 2022

STANDARD FISHERIES
CORPORATION

By 

ERIK A. ROSINI
Chief Executive Officer,
Secretary, and
Chief Financial Officer

APPROVED AS TO FORM AND LEGALITY


_____, 2022
MICHAEL N. FEUER, City Attorney
STEVEN Y. OTERA, General Counsel

By 

JANET KARKANEN, Deputy City Attorney

**RECOMMENDATION APPROVED;
RESOLUTION 22-10074 ADOPTED; AND ORDER 22-7334 APPROVED;
BY THE BOARD OF HARBOR COMMISSIONERS**

October 20, 2022

AM KLESGES
AMBER M. KLESGES
Board Secretary



DATE: OCTOBER 5, 2022

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. 22-10074 - ORDER APPROVING
ASSIGNMENT OF PERMIT NO. 919 FROM H.S. SEAFOOD, INC. TO
STANDARD FISHERIES CORP. DBA STANDARD FISH COMPANY**

SUMMARY:

Staff requests approval of the proposed Order assigning Permit No. 919 from H.S. Seafood, Inc. (HS Seafood) to Standard Fisheries Corp. dba Standard Fish Company (Standard Fish), a California corporation.

Permit No. 919 was granted to HS Seafood for a term of eight years, effective February 28, 2018. The permit entitles HS Seafood to the right to use City of Los Angeles Harbor Department (Harbor Department) Stall No. 4 at the Berth 72 Municipal Fish Market in San Pedro for unloading of wet-fish products from commercial fishing vessels, processing and loading of wet-fish products, wholesale fish and seafood sales, and storage of materials related to the fishing industry and for purposes incidental thereto. If the proposed Order is approved, Standard Fish will pay an assignment fee in the amount of \$18,829 to the Harbor Department and monthly rent of \$3,622.07 with Consumer Price Index increases occurring on March 1 each year.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed actions are administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Order assigning Permit No. 919 from H.S. Seafood, Inc. to Standard Fisheries Corp. dba Standard Fish Company, a California corporation.;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Order assigning Permit No. 919 from H.S. Seafood, Inc. to Standard Fisheries Corp. dba Standard Fish Company, a California corporation; and
4. Adopt Resolution No. 22-10074 and Order No. 22-7334.

DATE: OCTOBER 5, 2022

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**SUBJECT: ASSIGNMENT OF PERMIT NO. 919 FROM H.S. SEAFOOD TO
STANDARD FISHERIES CORP. DBA STANDARD FISH COMPANY**

DISCUSSION:

Background – Permit No. 919 was granted to HS Seafood for a term of eight years, effective February 28, 2018. The permit entitles HS Seafood the right to use Harbor Department property known as Stall No. 4 at the Berth 72 Municipal Fish Market in San Pedro for the unloading of wet-fish products from commercial fishing vessels, the processing, and loading of wet-fish products, wholesale fish and seafood sales, and storage of materials related to the fishing industry and for purposes incidental thereto.

HS Seafood has not paid rent since February 2020, coinciding with the start of the Covid-19 pandemic. The existing eviction moratorium in Los Angeles County pertaining to small businesses with less than 100 employees has not permitted any legal action to remove the existing tenant. A Settlement Agreement between HS Seafood and the Harbor Department for back rent in the amount of \$15,000 will be forwarded to the Executive Director for execution upon approval of the assignment Order by the Board, which will result in the remaining past due rent owed being waived. The Harbor Department would receive the settlement payment and forfeiture of the security deposit, totaling \$25,866 to offset the outstanding rent balance of \$87,113, and would begin receiving rent as soon as the assignment is approved.

On July 2, 2021, HS Seafood proposed to transfer Permit No. 919 to Erik Rosini, an individual. Subsequently, HS Seafood and Erik Rosini requested that the permit be assigned to Standard Fish due to its favorable financial strength. Erik Rosini is the president and CEO of Standard Fish and was a partner of Café International, with extensive experience operating commercial fishing and wholesale fish businesses.

The assignment of Permit No. 919 requires an assignment fee (Section 113.7). Standard Fish has agreed to pay the assignment fee of \$18,829.

Section 113.4 of Permit No. 919 outlines the factors germane to the Harbor Department's consent to the assignment. The Financial Planning & Analysis Division (FPA) has reviewed the finances of Standard Fish. Based on the information provided in the transfer notice, financial records, and other information previously reviewed during the due diligence process, FPA has determined that Standard Fish demonstrated the requisite experience, financial strength, and ability to assume Permit No. 919 and continue to operate the facility in the Port of Los Angeles.

Assignment of Permit No. 919 from HS Seafood to Standard Fish will result in the continuance of all operations allowed under the permit. In addition to a one-time assignment fee, the Harbor Department will continue to receive land rent under the assigned permit. The permit assignee will be solely responsible for all regulatory requirements and maintenance-related responsibilities.

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SUBJECT: ASSIGNMENT OF PERMIT NO. 919 FROM H.S. SEAFOOD TO
STANDARD FISHERIES CORP. DBA STANDARD FISH COMPANY

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the proposed Order assigning Permit No. 919 from HS Seafood to Standard Fish, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed assignment of Permit No. 919 from HS Seafood to Standard Fish will result in the continuance of all operations allowed under the permits. In addition to a one-time assignment fee of \$18,829, the Harbor Department will continue to receive land rent in the amount of \$3,622.07 per month. The permit assignee will be solely responsible for all regulatory requirements and maintenance-related responsibilities.

CITY ATTORNEY:

The proposed Order assigning Permit No. 919 has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Site Map
2. Transfer Notices
3. FMD Review - Factors Germane To The City's Consent
4. Assignment Order **22-7334**

FIS Approval: MB
CA Approval: SO

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

ES:MD:MG:HP:KK:raw
Author: Kevin Kim
BL959raw HS Seafood Assignment

Berth 72, Stall No. 4



TRANSMITTAL 1

H.S. Seafood, Inc.
Stall 4, 2196 Signal Place
San Pedro CA 90731

December 14, 2021

Port of Los Angeles (via email KKim@portla.org)
Waterfront & Commercial Real Estate Division
Attention: Mr. Kevin Kim, Sr. Real Estate Officer
425 S. Palos Verdes Street
San Pedro, CA 90731

Re:	Permit:	Permit No. 919, dated as of February 28, 2018
	Premises:	Stall 4, 2196 Signal Place, San Pedro CA 90731
	City:	City of Los Angeles
	Board:	Board of Harbor Commissioners
	Tenant:	H.S. Seafood, Inc., a California corporation
	Transferee:	Standard Fisheries Corporation, a California corporation ("Transferee" or "Standard")

Transfer Notice

Ladies and Gentlemen:

Tenant proposes to Transfer the Permit to Transferee, and requests the City's and Board's approval. This letter is the Transfer Notice that the Permit §113 requires Tenant to send to the City and the Board.

- a. The proposed Transferee is Standard.
- b. Standard is familiar to the Port.
Its President and CEO, Erik Rosini, is the son of Nino J. Rosini (holder of Permit No. 581).
He is also the operator of Café International and has extensive experience operating fishery businesses.
- c. The Transfer will take the form of an asset/purchase transaction of the Permit and certain equipment. The Transferee will purchase the Tenant's interest in the Permit.
- d. After the Transfer of the Permit, the Transferee will operate a wholesale seafood business and related businesses, generally consistent with the other types of businesses Standard and Erik Rosini operate at the Port.
- e. The terms of the purchase transaction are based on an \$85,000 base purchase price, less liabilities, and subject to continuing negotiation. The proposed use of the Premises will be a wholesale seafood operation. The effective date of the Transfer will be five business days after the City's and Board's

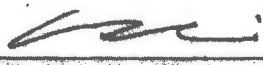
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written approval of the Transfer and other related closing conditions. A copy of the proposed transaction agreement will be submitted upon completion and execution.

- g. Transferee's projected plan and budget is in progress and will be submitted. While no existing Transferee contracts are in place, Transferee anticipates annual revenues estimated in the range of \$3,000,000 - \$5,000,000.
- h. Transferee is still determining the scope of any proposed alterations or improvements. Transferee anticipates adding freezer and possibly refrigeration equipment, subject to obtaining necessary permits and an evaluation of costs.
- i. Transferee's net worth is sufficient to operate the proposed business in the Premises and to pay the Rent payable under the Permit. Transferee will submit materials establishing the same.

The Transferee will follow this Transfer Notice by sending you more information about its business and plans. I look forward to the prompt approval of the Transfer by the Board.

H.S. Seafood, Inc.,
a California corporation

By:  12/31/2021
Bo Wu, President

cc: Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731
Attention: Executive Director

Los Angeles City Attorney's Office
425 South Palos Verdes Street
San Pedro, CA 90731

Real Estate Division
P.O. Box 151
San Pedro, CA 90733-0152

Mr. Erik Rosini
Standard Fish

Factors Germane to City Consent Finance Division

113.4 Factors Germane to City Consent. In evaluating any Transfer Notice, it shall not be unreasonable for City to withhold or condition its consent to a Transfer based on the following factors, among others:

(a) The net worth, financial condition and creditworthiness of the Transferee and the existence of any guaranty provided by the Transferee's parent or related entity or entities;

Under Permit 919 with H.S. Seafoods, Inc., minimum rent obligations as of March 1, 2021 are \$3,369.37 per month, or \$40,432 per year. Effective March 1, 2022, and annually thereafter through the expiration of Permit 919 on February 28, 2026 (pending the exercise of two one-year options which would extend the expiration date to February 28, 2028), minimum rent obligations will increase by CPI, subject to any board-approved compensation resets. Over the remaining term of Permit 919 through February 28, 2026 and assuming one option exercise as well as 3% CPI, staff has estimated aggregate minimum rent obligations of \$261,534. At a discount rate of 10.0%, which is the Department's target rate of return on land, the present value of these minimum rent obligations is \$188,293.

On July 2, 2021, Erik Rosini, Owner and CEO of Standard Fisheries Corp., dba Standard Fish Company, submitted a request to assign Permit 919 to Standard Fish Company. Subsequently, on August 17, 2021, Erik Rosini provided the relevant information requested within Permit 919 in order to complete a permit assignment. In addition, Erik Rosini has agreed to pay an assignment fee of \$18,829.

On November 1, 2021, staff from the Financial Planning & Analysis division performed an in-person review of three years of unaudited financial statements and tax returns spanning January 1, 2018 through December 31, 2020 of Standard Fish Company, which is the proposed Permit 919 transferee. Staff reviewed Revenues, Operating Income, Net Income, Total Assets and Total Equity. In addition, staff also reviewed 9 months of income statement information for the period ending September 30, 2021. Based upon staff's review of these key financial metrics, Standard Fisheries Corp., appears to possess reasonably sufficient financial wherewithal to meet its obligations as Transferee under Permit 919.

(b) The character, experience and reputation of the Transferee (or its operator) in operating the business contemplated by the Transfer;

Standard Fish Company is a family-owned business which has operated within the Port of Los Angeles since 1999. Owner and CEO, Erik Rosini is a native of San Pedro and veteran in the seafood industry. Standard Fish Company sources the highest quality fresh and frozen seafood to supply customers year-round, supports thriving commercial fisheries and works with local fisherman to unload and process fishing boats responsibly. Following drivers of an evolving market and consumer demand for foods associated with health benefits, Standard Fish Company sees the opportunity for increased production of seafood products

and business growth with projected revenue of \$2 - \$4 million per year over the next five years. Standard Fish Company appears to possess reasonable experience, knowledge and character to assume the operational responsibilities associated with Permit 919.

(c) Whether the Transfer will negatively impact the short-term or long-term development, land use or other plans of City's Harbor Department, and whether consent to such Transfer would violate any of the legal duties of City's Harbor Department, including duties owed to other tenants;

Continued use of the Permit 919 premises as a wet fish processing stall is consistent with the Port Master Plan as an existing permitted use. There are currently no conflicting existing legal duties of the Harbor Department that relate to the continued use of the Permit premises as a wet fish processing stall in the Municipal Fish Market.

(d) Whether the proposed Transfer is consistent with the terms and conditions of this Agreement in existence when Tenant submitted the Transfer Notice and with the laws, rules and regulations applicable to the Premises and Tenant's use and occupancy thereof;

Erik Rosini will continue to use the premises as a wet fish processing stall which is consistent with the terms and conditions of Permit 919.

(e) Whether the information provided by Tenant in connection with Subsection 113.3.1 (Transfer Notice) justifies such consent;

Erik Rosini's Transfer Notice provided the information required by Subsection 113.3.1. The information provided in the Transfer Notice justifies consent of the proposed assignment based on the proposed tenant's financial standing, experience, and proposed use of the premises that is consistent with the Port Master Plan and the terms of Permit 919.

(f) The Transferee's level of commitment and specific plans to invest to improve the Premises following approval of the proposed Transfer, if any;

Erik Rosini has committed to complete the construction of the facility to begin operations of the wet fish processing. The current tenant did not complete the construction of the wet fish processing facility when he relocated into the Stall 4 from Stall 12. The Risk Management Plan within the Port Master Plan requires that H.S. Seafoods move to another stall because its location at Stall 12 was within the hazard footprint of an existing fuel tank located to the south of the Municipal Fish Market building and operated by The Jankovich Company.

(g) Whether there are uncured defaults including, without limitation, unpaid Rent and, if there are, whether the proposed transferee agrees to cure, remedy or otherwise correct any default by Tenant existing at the time of the Transfer, in a manner satisfactory to the Board; and

HS Seafood has been in arrears since February 2020 in the amount of \$65,274 through October 31, 2021. HS Seafood has proposed to settle the unpaid rent by paying \$15,000 from the proceeds of the sale. HS Seafood's troubles began when its only vessel was demasted in rough seas in October 19, 2017: one crew was killed and one severely injured. Subsequently, in July 23, 2019 the boat caught fire during repairs and sank in Mexico. Further

compounding the problem was the lack of fishing in Los Angeles region for past few years. Tenant was not evicted for non-payment of rent due to eviction moratorium issued during current pandemic.

(h) Whether the Transferee, its operator or any Affiliate of the Transferee or its operator is listed on any of the following lists maintained by the Officer of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of the Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of Persons with which the City may not do business under Applicable Law: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List, and the Debarred List.

Staff has reviewed the following referenced websites and did not find any listing of the proposed tenant or affiliated companies on any such lists.

The Office of Foreign Assets Control - Special Designated Nationals and Blocked Person List: <https://sanctionssearch.ofac.treas.gov/>

**The Bureau of Industry and Security - Denied Persons List and Entity List:
<http://www.bis.doc.gov/dpl/dpl.txt>**

**The Office of Defense Trade Controls - Debarred Parties List:
https://www.pmddtc.state.gov/?id=ddtc_kb_article_page&sys_id=7188dac6db3cd30044f9ff621f961914**