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4/14/26

RECOMMENDATION APPROVED;
RESOLUTION 26-10702 (PERMIT 970) ADOPTED;
BY THE BOARD OF HARBOR COMMISSIONERS



Executive Director's
Report to the
Board of Harbor Commissioners

April 14, 2026

AMKlesges
AMBER M. KLESGES
Board Secretary

DATE: APRIL 1, 2026
FROM: CARGO & INDUSTRIAL REAL ESTATE
SUBJECT: RESOLUTION NO. 26-10702 - APPROVAL OF PERMIT NO. 970 WITH
TAYLORED TRANSLOAD, LLC. AND WATERFRONT LOGISTICS LLC.

SUMMARY:

Staff requests approval of Permit No. 970 with Taylored Transload, LLC and Waterfront Logistics LLC (Taylored) as joint tenants concerning the use and occupancy of City of Los Angeles Harbor Department (Harbor Department) property located at 2401 E. Pacific Coast Highway in Wilmington for purposes of operating a transloading facility.

Permit No. 970 would serve as the successor entitlement to Revocable Permit No. 21-16 with Taylored Transload, LLC for the same location. The term of Permit No. 970 is five years and will generate \$11,491,413.96 per year. Beginning on July 1, 2027, and annually thereafter, rent increases will be applied based on the year-over-year change in the Consumer Price Index (CPI), subject to a floor of three percent.

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 is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(14) and 1(18)(d) of the Los Angeles City CEQA Guidelines;
2. Approve Permit No. 970 with Taylored Transload, LLC. and Waterfront Logistics LLC as joint tenants;
3. Direct the Board Secretary to transmit Permit No. 970 to the City Council for approval pursuant to Section 606 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to Permit No. 970 upon approval by City Council; and
5. Adopt Resolution No. 26-10702.

DISCUSSION:

Background/Context - Under the existing agreement (RP No. 21-16), which arose from a Request for Proposal process, Taylored Transload, LLC has the right to use and occupy

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approximately 85.85 acres of Harbor Department property located at 2401 E. Pacific Coast Highway in Wilmington as shown on Exhibit A (Transmittal 1). Taylored Transload, LLC, a distribution and logistics company, has used and occupied this site since February 1, 2022, for the purpose of operating a transloading facility. On December 7, 2023, the Board consented to a change in the upstream ownership from Taylored Fulfillment, LLC to Waterfront Logistics, LLC and approved a new guaranty from AMG Logistics Group LLC.

RP No. 21-16 currently generates \$11,964,317.64 in revenue per year and was set to expire on January 31, 2026, without the opportunity for holdover. To ensure there was no gap in real estate entitlements, as a separate action, the expiration of RP No. 21-16 was extended by the Board to July 31, 2026.

Continuation of Use and Occupancy of Premises

Taylored has informed Harbor Department staff that they wish to continue its use and occupancy of the premises beyond the July 31, 2026 expiration date. However, in order for the agreement to be economically viable, Taylored requires two changes to its terms: 1) greater term certainty in the form of a fixed term rather than the month to month arrangement in place today; and 2) removal of parcels that do not serve its operation.

- **Term:** Taylored advised staff that the revocable nature of its current real estate entitlement is hindering its ability to secure long-term customer commitments. Therefore, staff is recommending to grant a term permit (rather than continue the existing revocable permit) for a proposed five-year term.
- **Premises Reduction:** Approximately 3.95 percent of Taylored's current premises is comprised of areas south of their operation that function as service roads available to the general public and neighboring business, as well as remnant parcels with limited utility. These areas are legacy arrangements from prior agreements at this site and do not directly serve the Premises. Staff recommends revising the premises area accordingly (Transmittal 2) to remove these areas. The estimated financial impact of the removal would be a decrease to monthly rent of \$39,408.64.

Taylored is a tenant in good standing. The new Permit would facilitate the uninterrupted beneficial use and productivity of this strategically important asset. Taylored serves a vital role in the efficient throughput of containers both for import and export and employs a large workforce. As such, staff recommends the Board authorize the continuation of the use, consistent with the terms below.

Below is a summary of the material terms of Permit No. 970 (Transmittal 3):

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<u>Provisions</u>	<u>Current Revocable Permit</u>	<u>Proposed Term Permit</u>
Tenant	Taylorred Transload, LLC	Taylorred Transload, LLC and Waterfront Logistics, LLC as joint tenants.
Effective Date	February 1, 2022	The first day of the month following approval by City Council, and execution by the Executive Director.
Expiration Date	Month-to-month, subject to termination with 90-days' prior notice not to exceed January 31, 2026 ¹ .	Five years following the Effective Date, subject to termination with 12 months' prior notice.
Premises	~85.85 acres of land.	~82.46 acres of land ²
Permitted Use	Operation of a transload facility	Same
Compensation	\$997,026.47 per month \$11,964,317.64 per year	\$957,617.83 per month ³ \$11,491,413.96 per year
Annual Rent adjustments	+>greater of 3% or CPI.	Same
Maintenance and Utilities	City has no maintenance obligations.	Same
Restoration	Standard provision. Tenant is responsible for restoring the premises at the expiration or earlier termination of the Permit.	Same
Insurance	Standard insurance requirements, plus railroad coverage, as approved by Risk Management.	Standard insurance requirements with higher coverage limits, plus railroad coverage, as approved by Risk Management.
Security Deposit	Three months' rent in the form of cash or letter of credit.	Same. Amount required is \$2,872,854
Assignment / Transfers	Transfers require Board consent. Transfer fee equal to ten percent (10%) of the net present value of future rent payments, using a discount rate of ten percent (10%).	Same
Guarantor	AMG Logistics Group LLC	Same (Transmittal 4)

¹ Extended until July 31, 2026 under a separate action;

² ~3.39 acres decrease in premises following removal of areas serving as public right of way or is located outside of secure facility.

³ Decrease is due to premises reduction.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the successor entitlement, Permit No. 970, with Taylor Transload, LLC and Waterfront Logistics, LLC, is the issuance, renewal, or amendment of any lease, license or permit involving negligible or no expansion of use, including storage areas for domestic shipment-receipt and foreign import-export commodities. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III, Class 1(14) and 1(18)(d) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of Permit No. 970 will replace Taylored Transload, LLC's existing RP No. 21-16. Once Permit No. 970 is effective, annual rent paid by Taylored will decrease by 3.95 percent from \$11,964,317.64 to \$11,491,413.96 per year, as proposed due to the reduction in Premises size. Effective July 1, 2027, and annually thereafter, rent will increase by the greater of three percent or the annual change in CPI.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved proposed Permit No. 970 as to form and legality.

TRANSMITTALS:

1. Current Site Map
2. Revised Site Map
3. Permit No. 970
4. AMG Guaranty

FIS Approval: JS
CA Approval: SO

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Director, Cargo & Industrial Real Estate

Michael DiBernardo
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APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director