



San Pedro Waterfront Project *Recommendation from Staff*

Final Proposed Project Summary

September 2009



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To: Board of Harbor Commissioners

From: Executive Director and the San Pedro Waterfront Team

Subject: SAN PEDRO WATERFRONT PROJECT

The San Pedro Waterfront Project will be before you for consideration very soon. Staff has compiled this separate document to describe the project we are recommending that the Board consider in its certification of the Environmental Impact Report (EIR). As you consider the proposed Project and the Alternatives assessed in the Draft Environmental Statement (EIS)/EIR, it is hoped that this separate document will make it easier for the Board members and interested public to understand what staff is now recommending for Board consideration along with changes or conditions we recommend in response to public comments and our own further deliberations.

This has not been an easy process. The project scoping and public input process was long and arduous with several starts since the "Waterfront Promenade & Interface Report" (WATCH Report) was published in May 2002. Then in 2006, we amended the proposed Project description, dropping the three hotels and extensive retail development because those elements of the Master Plan were for years fifteen and beyond. We then undertook another extensive scoping process that involved numerous follow-up meetings with those who commented on the revised Project description. We have reached out to regional stakeholders to educate them about the exciting potential for non-cargo related developments at the Port of Los Angeles and to seek their input.

Staff believes this is a terrific and exciting project that will create a world-class waterfront on par with other world-renowned waterfront cities. Total investment of public and private capital to deliver the proposed Project is approximately \$1.2 billion with 64% to occur in the downtown area.

The proposed Project will create an active public waterfront in downtown San Pedro, with:

- **The creation of three new harbors and a public pier at 7th Street:** creating an active public waterfront, more tie-up space for harbor craft and day-trip boaters, and a closer waterfront connection with the downtown San Pedro area.
- **New development, redevelopment, and cultural assets:** including 300,000 square feet of commercial development/redevelopment entitlements in the Ports O' Call area (in addition to 90,000 square feet of already entitled commercial development as part of the Cabrillo Marina Phase 2 project), and enhancements to other visitor attractions that include a new *Ralph J. Scott* Fireboat Museum and relocated *S.S. Lane Victory* Museum in new, downtown-adjacent harbors.
- **Completion of the eight miles of waterfront promenade and open space for public enjoyment and recreation:** including new public plazas, 27 acres of new park space, and extensive landscaping and hardscaping.
- **A wide variety of transportation options and improvements:** including the expansion of Sampson Way along the west perimeter of Ports O' Call; extension of the Waterfront Red Car Line to City Dock No.1 on the Main Channel, the Outer Harbor Park and out to Cabrillo Beach; and creation of an extensive network of public promenades, bikeways, water taxi stops and Coastal Trail connections that facilitate public access to and throughout the waterfront.

Any project that proposes changes in land use is by nature controversial. The San Pedro Waterfront Project is one of those projects. There are different project elements and alternatives supported by different stakeholder groups. The biggest issue of contention in the proposed plan is the inclusion of an Outer Harbor cruise terminal. A strong contingent of the community, including the Coastal San Pedro Neighborhood Council, has vigorously put forth their position against an Outer Harbor cruise terminal. Their primary interest is in preserving the Outer Harbor area for recreation and keeping cruise operations in the Inner Harbor where they currently exist. Specific concerns include security restrictions on recreational boat access into the Cabrillo Marina, and traffic and aesthetics when a cruise ship is at an Outer Harbor berth. Others fear that an Outer Harbor cruise terminal will undermine the revitalization of downtown San Pedro.

Some stakeholders, particularly those associated with our active environmental community, have come together to present

a “sustainable waterfront plan” which focuses on open space and pedestrian access. This plan is most similar to our Alternative No. 4, as it has no Outer Harbor cruise terminal. The sustainable waterfront plan helped to highlight the need to ensure that certain elements of key non-vehicular access (such as linkages to the Coastal Trail, a continuous bike path, water taxi stops, etc.) become clearly identified elements of the proposed Project. As a result of our interaction with those supporting the sustainable waterfront plan, these non-vehicular access principles were incorporated as an underpinning for all alternatives. Without their efforts, we do not believe these elements, or the seamless interface between the waterfront and downtown community, would have been as clearly identified in our proposed Project. In addition, the Los Angeles Harbor Department’s (LAHD’s) own sustainability program is incorporated into the project, specifically requiring the use of reclaimed water, solar energy, LEED green buildings, low-emission shuttle buses and cruise ship emissions mitigation measures not contemplated anywhere in the world.

We have received 283 comment letters and oral statements on the project. The proposed Project is too complex to characterize comment letters as strictly support or oppose positions. However, on the presence of the Outer Harbor cruise terminal, 41 letters are in opposition, 154 did not specifically comment on the cruise terminal and 88 letters are in support, although 41 of these support letters are form letters.

While there is an unlimited number of alternatives that could be crafted for the 31 project elements in the Waterfront Plan, we developed 6 Project Alternatives for Board consideration. The location of the cruise berths is the primary element differentiating the Alternatives, which range from zero to two Outer Harbor berths. We have advised the Board that we can combine any number of project elements for their consideration as a revised or modified alternative, and we have expressed a desire for the Board to make its views known. The Board has correctly opted to wait until the public comment period on the Final EIR has closed and staff has made a recommendation before providing its final direction.

Modifications from the Proposed Project in the Draft EIS/EIR

We have made some modifications to the proposed Project in the Final EIS/EIR and we highlight those for you in this document.

Cruise Terminal

Economic conditions dictate caution with respect to investment in new cruise facilities. An updated cruise marketing study indicates that cruise passenger growth may occur at a somewhat slower pace in the wake of this global recession. This study, however, was done before Disney Cruise Line selected the Port of Los Angeles as its West Coast homeport. Our agreement with Disney is for their use of the Inner Harbor terminal and we are under no obligation to provide an Outer Harbor berth for Disney. Disney has expressed a desire to berth in the Outer Harbor even though their smaller ships can fit in the Inner Harbor. While the Disney agreement is for up to five years, only two years are confirmed. The short- and long-term prospects for the Mexican Riviera as a cruise destination are somewhat mixed. In the short-term, there is some concern about the H₁N₁ Virus and crime. Princess Cruises, whose passengers are more interested in the cruising experience than the ports-of-call excursions, have opted to switch the Los Angeles home ported *Sapphire Princess* from a week-long Mexican cruise to longer sailings to Hawaii. Longer cruises mean fewer stops in port and this will mean fewer passengers and calls in January and February, 2011.

Staff Recommendation on Cruise Berths

Nevertheless, staff believes that investment in cruise facilities is important for Port of Los Angeles to remain competitive as a major west coast cruise port.

Staff recommends:

- The current plan of investment in the downtown cruise terminal should be the highest priority and should occur before any investment in the Outer Harbor.
- The Board adopt a project that will allow for the construction of one berth in the Outer Harbor in the near term.
- The second Outer Harbor berth be entitled but that construction of this second berth only commence if and when market conditions dictate.

We make this three-part recommendation so the Board will have flexibility to be responsive to market demands and financial conditions. The reasons for our recommending an Outer Harbor cruise terminal are as follows:

1. **Inadequate Berth Length at the Inner Harbor:** The adequacy of our facilities is an important factor in our ability to attract cruise ships. As the ships become larger, the Inner Harbor terminal, which is often used to berth three cruise ships, will increasingly be limited to two vessels. Today we can only handle one Voyager Class vessel at a time in the Inner Harbor. Even if we eliminate the North Harbor Cut from the proposed Project, we still will have berth limitations. Cruise lines tailor their ship calls to their customer preferences, and most passengers want to start and end their cruise on a weekend. We forecast weekend congestion at our existing Inner Harbor cruise terminal even before the economy fully recovers. We see our inability to handle two Voyager Class vessels or a Voyager and a Freedom Class vessel simultaneously as a major constraint to not only growing our existing market but retaining it.

2. **Navigation Issues:** Port staff was significantly influenced by our own Port Pilots and their recommendation that we need to seize any opportunity to improve navigation safety along the Port's Main Channel. The current cruise terminal was built in the 1960's, at a time when the cruise ships were smaller and the cargo ships that were passed along the Main Channel by transiting cruise ships were also smaller. Some of the new cruise ships anticipated for this market cannot sail under the Vincent Thomas Bridge to access the turning basin, thus requiring the ship to back down the Main Channel. Backing a cruise ship down the Main Channel can be done, but it increases navigation risk. This limitation is another reason for a cruise line not to operate in the Port of Los Angeles.
3. **Maintaining Our Competitive Position:** The cruise market is very competitive. San Diego and San Francisco are constructing new terminals, and Long Beach has expanded their capability. This year, we will likely lose our No. 1 position as the west coast's busiest cruise port. Locking Disney into the potential of a longer term arrangement to homeport a vessel in the Port of Los Angeles was a major positive step forward in being able to retain our cruise business. Recognizing that their "5-year" agreement only commits them for two years, we believe development of an Outer Harbor cruise terminal berth is necessary for a long-term Disney presence. We also believe that having a Disney cruise ship home ported in Los Angeles Harbor is a catalyst for others to notice the development opportunities along the waterfront, especially at Ports O' Call.
4. **Economic Benefit:** Although cruise terminals are generally not a very profitable line of business for LAHD, we believe that there is sufficient business to have our investment in a new terminal paid back over time if we design the terminal to a specific budget. We view our investment in the cruise business as an economic development activity and our economic analyses show that many area and regional businesses financially benefit and create jobs based on serving our cruise ship lines. Because we are a home port, the primary economic benefits to the surrounding communities and the region are due to crew spending and use of local businesses by the cruise line for supplies and repair, and to a lesser extent from passengers. While it may be possible to increase the level of passenger spending through specific marketing strategies, we should recognize that passenger spending is not the primary driving economic factor at this time, although some area restaurants and hotels have a strong link to the cruise business.

Cruise Terminal Location and Downtown Revitalization

We do not believe that cruise berths in the Outer Harbor undermine the viability of efforts to revitalize downtown San Pedro or the importance of the downtown-waterfront connection. While the cruise businesses serve to provide significant economic benefit to businesses in San Pedro and the region, we do not view the location of the cruise berths as the determining factor in making the downtown a success or failure. Instead, we believe that the public infrastructure – particularly the continuous promenade, downtown harbors and plaza, and infrastructure to facilitate redevelopment of Ports O' Call – is more important than the location of the cruise berths in the revitalization of downtown San Pedro. One only needs to look at the success of the Gateway Fountain to see how one waterfront element can serve as a focal point for community and visitor activity, regardless of its location. If you give people a reason to come down to the waterfront, they will come.

Other Project Revisions Considered By Staff

We have reviewed a number of other suggestions on proposed Project improvements, phasing and deferring of project elements due to market conditions, our work with stakeholder groups, and our own deliberations. We outline the major areas we re-examined and our recommendations in each area below.

- **Port Staff Considered Revisions to Ports O' Call Square Footage But Recommend No Change from Draft EIS/EIR:** Staff believes the earlier removal of the three hotels and a million square feet of the new retail space left us with a balanced mix of development, public waterfront access and open space. The Notice of Intent/Notice of Preparation (NOI/NOP) for this EIS/EIR contemplated increasing the size of Ports O' Call from the current 150,000 square feet to 187,500 square feet. Ports O' Call was originally 210,000 square feet. The San Pedro Chamber of Commerce recommended an increase in square footage from 150,000 to 300,000 square feet of commercial development with an additional 75,000-square-foot conference center. We supported this recommendation and included the larger size development in the Draft EIS/EIR despite our reservations regarding the market. We agree with the Chamber's most recent position that market conditions likely do not support 300,000 square feet. But unlike the cruise berths, LAHD is not planning on developing or constructing Ports O' Call. We would seek private investment through a Request for Proposals (RFP) process and developers are not likely to propose to build more than the market can sustain. Staff recommends, therefore, retaining the 300,000 square feet as a maximum for retail/restaurants, so prospective developers have flexibility to propose something larger than the original size of Ports O' Call.
- **Be Open to Future Opportunities to Explore Parking Options:** Another strong desire from the local community was to minimize parking structures along the waterfront and to construct shared parking with the Los Angeles Community Redevelopment Agency (CRA) in joint projects downtown. For the purposes of this EIS/EIR, staff must identify sufficient parking for the proposed uses, even if those parking spaces are not needed until sometime in the future. Our recommended project proposes limited surface parking near the downtown harbor and parking structures

tucked along the bluff at Ports O' Call. These bluff parking structures will serve a dual purpose by providing an access way for pedestrians walking down from communities south of downtown San Pedro to access the waterfront over the bluff. Staff agrees that parking structures should be minimized on the waterfront and is open to considering other joint development opportunities in CRA projects downtown for shared waterfront visitor parking, if anything feasible is proposed. In furtherance of this goal, the Board has adopted a Memorandum of Understanding (MOU) with the CRA for the development of the Caltrans "Park and Ride" site which could include parking for waterfront visitors.

- **Defer Inner Harbor Cruise Terminal Parking Structures:** Structured cruise parking is currently planned for the Inner Harbor cruise terminal. No parking structures are proposed for the Outer Harbor cruise terminal, as parking for all cruise passengers is proposed for the Inner Harbor terminal to minimize traffic impacts in downtown. Cruise passenger parking is long-term (for as long as a week or more) and is not compatible with the concept of shared use lots in downtown. Staff has determined it would be possible to operate the Inner Harbor cruise terminal and one Outer Harbor berth with only surface parking at the Inner Harbor. Therefore, staff recommends the Board consider deferring construction of the Inner Harbor parking structures for as long as possible.
- **Deferral of the North Harbor Cut:** We are now recommending deferring construction of the North Harbor Cut for economic reasons and staging construction of this element at the end of the overall project construction period. This will allow the port to extend cruise parking to the Berth 87 area and will also allow the opportunity for the LAHD to defer construction of parking structures at the cruise terminal until absolutely necessary. Once a commitment is made to construct a second Outer Harbor berth or the North Harbor Cut, a parking structure will be necessary.
- **Examine Opportunities for Additional Modifications to the Inner Harbor Terminal:** Another advantage of deferring the North Harbor Cut and parking structures is that staff can spend some time working on creative design options for cruise parking in conjunction with removal or masking the temporary baggage handling facility and fixing the limitations at the terminal building at Berths 91-92. It would be difficult to make any improvements at Berths 91-92 because it is hard to construct improvements in a facility that is being actively used. Opening a berth in the Outer Harbor may provide some short-term periods where the terminal buildings at Berth 91-92 can be taken out of service for renovation. Depending on market conditions, it could be that additional improvements in the Inner Harbor terminal could help significantly defer or eliminate the need for a second Outer Harbor berth.
- **Recommended Project Revisions Based on Stakeholder Input:** A series of meetings with the TraPac Appellant Group have resulted in several recommended changes in the proposed Project:
 1. Another pedestrian connection from the San Pedro bluff to the Ports O' Call area over the bluff parking structures at 9th Street in addition to the one proposed at 13th Street.
 2. Prohibition of parking on the roof of the proposed bluff parking structures and the inclusion of "green roofs" that include landscaping and solar panels. These attractive rooftop access points will draw people to the waterfront via the top of the parking structures and staircases into the waterfront.

We recognize the disparate views among the people of San Pedro are a reflection of the passion they have for the waterfront and their community. One goal of public review is to conclude with a project better than staff could have developed on its own. We believe with the recommendations highlighted here, we have met that goal. In the public outreach process, however, there was one universal message – the time is now! Many people are concerned that the time needed to bring this master planning process to a close was so long that events keep overtaking it, causing delay. Some even believe that the Board will never approve a project, that there would always be a reason to delay – the latest being the downturn in the economy. We recognize the economic downturn may slow the progress of project implementation. But nothing the staff could say could convince these people that the Board would act. Only the Board can do that.

Our meetings with a broad range of community groups and the letters of support we have received from community members have encouraged us to believe that our modified proposed Project might be as close as we could ever come to a consensus plan for the San Pedro Waterfront. We submit this project recommendation for your consideration and stand ready to make revisions as directed by the Board.

Respectfully submitted,



GERALDINE KNATZ, Ph.D.

Executive Director

and the San Pedro Waterfront Team

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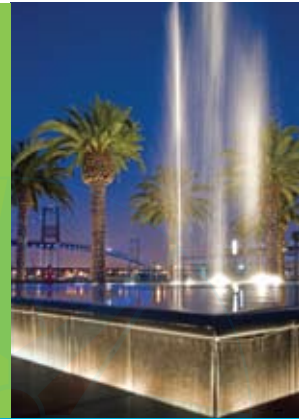
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SAN PEDRO WATERFRONT PROJECT

Introduction



The Los Angeles Harbor Department (LAHD) and the U.S. Army Corps of Engineers (USACE) have released the Final Environmental Impact Statement/Environmental Impact Report (Final EIS/EIR) for the San Pedro Waterfront Project (proposed Project), representing a major redevelopment in the Port of Los Angeles (Port). The purpose of the *Recommendation from Staff: Final Proposed Project Summary* is to provide a summary of the final proposed Project that has been shaped by the environmental review process and summarize a discussion of changes driven by the market and public comment.

PROJECT GOALS

At its heart, the San Pedro Waterfront Project is a major 400-acre waterfront infrastructure and revitalization initiative proposed by LAHD to create a vibrant, world-class waterfront for the community of San Pedro, the City of Los Angeles and the people of California. The proposed San Pedro Waterfront Project activates a waterfront vision that City leaders and local community members have talked about for more than a decade. Specifically, the proposed Project goals are to:

- **Link downtown San Pedro and the waterfront, substantially increasing public access.**
The San Pedro Waterfront will connect the downtown area and surrounding community to the waterfront through the creation of pedestrian, bicycle, and vehicular access; a waterfront promenade; Coastal Trail linkages, and open spaces for public enjoyment and recreation.
- **Enhance community- and visitor-serving commercial opportunities along the waterfront.**
Elements of the San Pedro Waterfront are designed to make Ports O' Call a regional destination and complement revitalization efforts in downtown San Pedro. There are current opportunities for development in the Outer Harbor (the Cabrillo Way Marina) and future opportunities for other development as the waterfront project progresses and the resident population in downtown San Pedro continues to grow in the years to come.
- **Relocate or remove cargo handling operations from the San Pedro Waterfront.**
As part of the San Pedro Waterfront Project, existing cargo handling and other industrial uses will be removed and/or relocated from the San Pedro Waterfront Project area.
- **Meet growing cruise industry demands.**
The San Pedro Waterfront Project will allow the Port to meet projected cruise industry growth and cruise line needs by expanding cruise facility infrastructure in order to provide the berth and terminal space necessary to accommodate larger ships and peak periods when multiple ships are in the Port at the same time.
- **Improve transportation, parking and non-vehicular mobility in and around the San Pedro Waterfront.**
The LAHD is incorporating measures to improve vehicular access to and within the waterfront area to accommodate existing traffic and future growth. However, the San Pedro Waterfront would encourage non-vehicular mobility through the extension of the Waterfront Red Car Line and creation of an extensive network of public promenades, bikeways, water taxi stops, and Coastal Trail connections that facilitate public access to and throughout the waterfront.
- **Grow the Port in a sustainable manner.**
The LAHD is committed to green growth. Sustainability policies will be reflected in project design, construction, and implementation.



PROJECT BACKGROUND & OVERVIEW

Historically, the San Pedro community and the Port have been closely linked and mutually interdependent. However, the physical connection between downtown San Pedro and the waterfront has diminished in recent decades due to a number of visual and physical barriers that currently inhibit the public's access to the water's edge. Downtown San Pedro and Ports O' Call are currently not performing to their potential, due in part to the weak and non-reinforcing connections with one another. There are isolated areas of successful visitor-oriented commercial enterprises along the waterfront, interspersed with abandoned, vacant, or underutilized sites. Existing landmarks along the waterfront are isolated from one another, with little physical and visual connection between them (for example, the *S.S. Lane Victory*, Los Angeles Maritime Museum, *Ralph J. Scott* Fireboat, S.P. Slip, and Warehouse No. 1). Existing open space along the waterfront is fragmented and disconnected from the rest of San Pedro, and there is a general lack of usable open space for the San Pedro community and visitors to access and enjoy the waterfront.

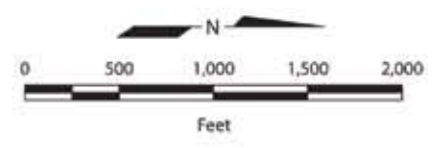
After a long community planning process, a proposed Project has emerged to help bridge the gap between San Pedro and the Port. The San Pedro Waterfront Project will redevelop the waterfront area for increased public access and provide connections between the waterfront and the San Pedro community. This document presents a summary of Port staff's recommended final proposed Project, element by element, for Board consideration.

PROJECT ELEMENTS

The San Pedro Waterfront Project EIS/EIR analyzes 36 different project elements that largely fall within three distinct categories:

1. A cohesive, interconnected network of promenades, harbors, open space and linkages designed to better connect the waterfront with downtown and surrounding communities.
2. New development, redevelopment, cultural attractions, and modifications to existing tenant facilities, including development of the new cruise facilities and Ports O' Call.
3. Transportation improvements for vehicles and pedestrians.

Proposed Project Map



<i>Elements</i>	<i>Existing Conditions (CEQA Baseline)</i>	<i>Proposed Project</i>
HARBORS, PROMENADE, AND OPEN SPACE		
Waterfront Promenade	Exists in Cabrillo Marina Phase I only; existing waterfront uses vary, including marina slips along the Ports O' Call waterfront, SP Slip, Westway Terminal, City Dock No. 1 with warehouses, youth camp, and salt marsh	30-foot-wide multi-use path and boardwalk with landscaping, seating, lighting, railing, and pedestrian signage, implementing the California Coastal Trail; marina slips in Ports O' Call to be replaced at Cabrillo Way Marina; mudflat habitat shaded by deck plaza; "working" promenade to be developed along SP Slip; around City Dock No. 1 near Warehouse No. 1, in the Outer Harbor; would be elevated along the youth camp and the salt marsh
North Harbor	Berths 87–90 (former Omni Terminal), used as occasional 3 rd cruise berth	5.0-acre water cut to accommodate tugboats, visiting historic and naval vessels, and S.S. Lane Victory
Downtown Harbor	Currently occupied by LAMI, Port vessels, TopSail, Crowley tugboats, surface parking, and landscaping	1.50-acre water cut with modifications to Berth 86 to accommodate LAMI, Port vessels, other visiting ships; demolish temporary TopSail facility, surface parking, and landscaping
7th Street Harbor	Porte-cochere and parking area for Acapulco Restaurant	0.32-acre water cut for visiting vessels
7th Street Pier	Porte-cochere and parking area for Acapulco Restaurant	Public dock for short-term berthing of visiting vessels; demolish part of Acapulco parking and floating dock; 12 slips replaced in Cabrillo Way Marina
Town Square	Currently occupied by parking for Maritime Museum and TopSail	0.79-acre public plaza with decorative surface and promenade; demolition of part of 6 th Street, sidewalks, and surface parking
Downtown Civic Fountain	Parking and circulation area near Maritime Museum	Interactive water feature in Town Square area
John S. Gibson Jr. Park	Existing memorial park	Hardscape, landscaping, lighting, and interpretive improvements
Pedestrian and Waterfront Access Linkages	Existing pedestrian waterfront access only at Ports O'Call and near Maritime Museum (not formalized)	Pedestrian crossing across Harbor Boulevard/Sampson Way; pedestrian bridge at 13 th Street (land bridge using Waterfront Red Car Maintenance Facility); pedestrian and waterfront access at Swinford, O'Farrell, 1 st , 3 rd , 5 th , 6 th , and 7 th Streets; vehicular access at 1 st , 3 rd , 5 th , 6 th , 7 th , and 13 th Streets
Fishermen's Park	Existing underutilized commercial structures in Ports O'Call	3 acres within Ports O' Call
Outer Harbor Park	Existing Omni Terminal	6-acre open space park with landscaping, hardscape, lighting, and benches; 60 parking spaces
San Pedro Park	Underutilized vacant land, existing Waterfront Red Car Maintenance Facility; Warehouses No. 9 and 10; temporary special-event overflow parking	18 acre "central park" with landscaping and hardscape areas (expansion of approved 22 nd Street Park under the Waterfront Enhancements Project); 500 parking spaces
Reuse of Warehouses Nos. 9 and 10	Existing warehousing operations for Crescent Warehouse	Reuse for low-intensity community-serving commercial or educational uses that would complement the recreational uses of San Pedro Park; approximately 200 spaces would be provided around the buildings for the reuse of the Warehouses
NEW DEVELOPMENT, REDEVELOPMENT, CULTURAL ATTRACTIONS, AND MODIFICATIONS TO EXISTING TENANTS		
CRUISE SHIP FACILITIES		
<i>Berths and Terminal Facilities</i>		
Cruise Berths	Two Inner Harbor permanent berths and one occasional Inner Harbor 3 rd berth Berth 93—1,000 linear feet Berths 91–92—1,000 linear feet Berths 87–90—1,000 linear feet	Two Inner Harbor with no construction; two Outer Harbor with new catwalk at Berths 45–47 and wharf extension at Berths 49–50 Berth 93—1,000 linear feet Berths 91–92—1,250 linear feet Berths 45–47—1,250 linear feet Berths 49–50—1,250 linear feet
Inner Harbor Terminals	Two existing terminals serving two permanent and one occasional-use Inner Harbor berths at Berths 87–93	No change to Inner Harbor Terminals
Outer Harbor Terminal	Existing Omni Terminal	Two 100,000-square-foot terminals serving two berths
<i>Parking for Cruise Ships</i>		
Inner Harbor Parking (Berths 91–93)	Existing cruise ship surface parking (2,560 spaces)	4,600 spaces in two new 4-level structures (dedicated to Catalina and Inner and Outer Cruise Terminals) covering a 9.1-acre footprint and surface parking
Outer Harbor Parking	Existing Omni Terminal	400 surface parking spaces (dedicated to non-passengers)
Catalina Express Parking	Approximately 1,000 spaces under Vincent Thomas Bridge, shared with World Cruise Center	700 surface spaces under Vincent Thomas Bridge and 300 surface spaces shared with Inner Harbor Cruise Terminal

<i>Elements</i>	<i>Existing Conditions (CEQA Baseline)</i>	<i>Proposed Project</i>
PORTS O'CALL REDEVELOPMENT		
Development	Existing 150,000 square feet of commercial use and restaurants, surface parking	Redevelop 150,000 square feet of existing development and add 150,000 square feet of new development; new 75,000-square-foot conference center (total of 375,000 square feet of development)
Parking	Existing Ports O' Call surface parking; SP Railyard at bluffs	Berths 78–83: 400 surface (dedicated to Ports O' Call and Downtown Harbor) Bluff Site: 1,652 spaces in four new 4-level structures dedicated to Ports O' Call Berths 73–77: 330 existing surface spaces dedicated to Ports O' Call 22 nd Street & Sampson Way: 256 new surface spaces dedicated to Ports O' Call
Southern Pacific Railyard Demolition	Railyard at bluff site adjacent to Ports O'Call between 6 th Street and SP Slip used for storage of rail cars (primarily for Westway Terminal operations)	Removal of rail tracks for bluff parking
Waterfront Red Car Maintenance Facility (and Museum)	Maintenance facility currently exists near the intersection of Miner and 22 nd Streets	17,600-square-foot maintenance facility to be developed at 13 th Street within SP Railyard bluff site; Waterfront Red Car Museum would be located outside of the project area
Ralph J. Scott Fireboat Display	Fireboat is currently stored on land adjacent to Fire Station No. 112 at Berth 87	10,000-square-foot multi-level display south of Fire Station No. 112
Westway Terminal Demolition	14.3-acre liquid bulk terminal at Berth 70–71	Demolition of existing facilities (except historic Westway/Pan-American Oil Company Pump House) following closure by February 2009; future redevelopment for institutional/research and development use
Tugboats	Existing tugboat operations by Crowley and Millennium; Crowley Building located near Fire Station No. 112; Crowley tugboats located at Berth 86; Millennium tugboats at Berth 195; offices at 300 E. Water Street	Lease renewals and construction of two 10,000-square-foot buildings around the North Harbor; tugboat fleets to be located in the North Harbor
Los Angeles Maritime Institute	Existing operations out of temporary trailer near Berth 86	Lease renewal and reuse of existing Crowley Tugboat Building
S.S. Lane Victory	Existing location at Berth 94 with temporary trailer for administrative activities	Relocation from Berth 94 to North Harbor; new building up to 10,000 square feet with lease renewal
Jankovich & Son Fueling Station	Marine oil service station and storage facility in at Berth 74; 8 aboveground tanks hold ultra-low-sulfur diesel, biodiesel, gasoline, and kerosene; lease ends in 2007	Jankovich fueling station operations would cease June 2012, and the site would be decommissioned
New Berth 240 Fueling Station	Vacant site, formerly part of Southwest Marine, used by several ship building companies since 1918	A new fueling station would be developed at Berth 240, including waterside wharf and dock construction, as well as operation pursuant to a 20-year lease; operational by June 2012
Mike's Main Channel Fueling Station	Existing operations in Ports O'Call near SP Slip entrance; currently on a month-to-month lease	Continued operation at existing location
Catalina Express/Island Express	Current operations at Berth 96; required to relocate as a result of displacement under the China Shipping Project to Berth 95 (temporary location)	Relocation from Berth 96 or Berth 95 to Berth 94 in existing S.S. Lane Victory location on a permanent basis; relocate 8,500-gallon fueling dock; build 8,800 square feet of floating docks to accommodate 8–10 vessels; Island Express Helicopters to remain in place at Berth 95
TRANSPORTATION IMPROVEMENTS		
Sampson Way Expansion	Currently a two-lane roadway from 6 th Street through Ports O'Call extending to 22 nd Street near the Municipal Fish Market	Expansion to two lanes each direction from 7 th Street, with curve near Municipal Fish Market to meet with 22 nd Street; Waterfront Red Car tracks along east side of Sampson Way between 7 th and 13 th Streets, and switched to west side of Sampson Way between 13 th and 22 nd Streets
7th Street/ Sampson Way Intersection Improvements	Currently the intersection at 7 th Street is a three-way intersection, with no access from Harbor Boulevard	Enhanced four-way intersection with modification of 6 th Street connection, eliminating access to Sampson Way from Harbor Boulevard at 6 th Street
Harbor Boulevard	Currently two lanes in each direction from Swinford Street to 22 nd Street	Harbor Boulevard would remain at existing capacity with two lanes in each direction; landscaping improvements on west side of Harbor Boulevard south of 7 th Street, and in the median starting at Swinford Street south to 22 nd Street; Waterfront Red Car along east side of Harbor to Sampson Way
Surface Parking adjacent to Acapulco	Existing Sampson Way and circulation area	New 152-space surface parking lot adjacent to Acapulco Restaurant to serve 7 th Street Harbor, Downtown Harbor, Town Square, and Acapulco Restaurant uses
Waterfront Red Car Extension	Waterfront Red Car extends from Swinford Street to 22 nd Street along the east side of Harbor Boulevard, through the existing SP Railyard to the maintenance facility	Waterfront Red Car Extension to Cabrillo Beach, Outer Harbor, and City Dock No.1



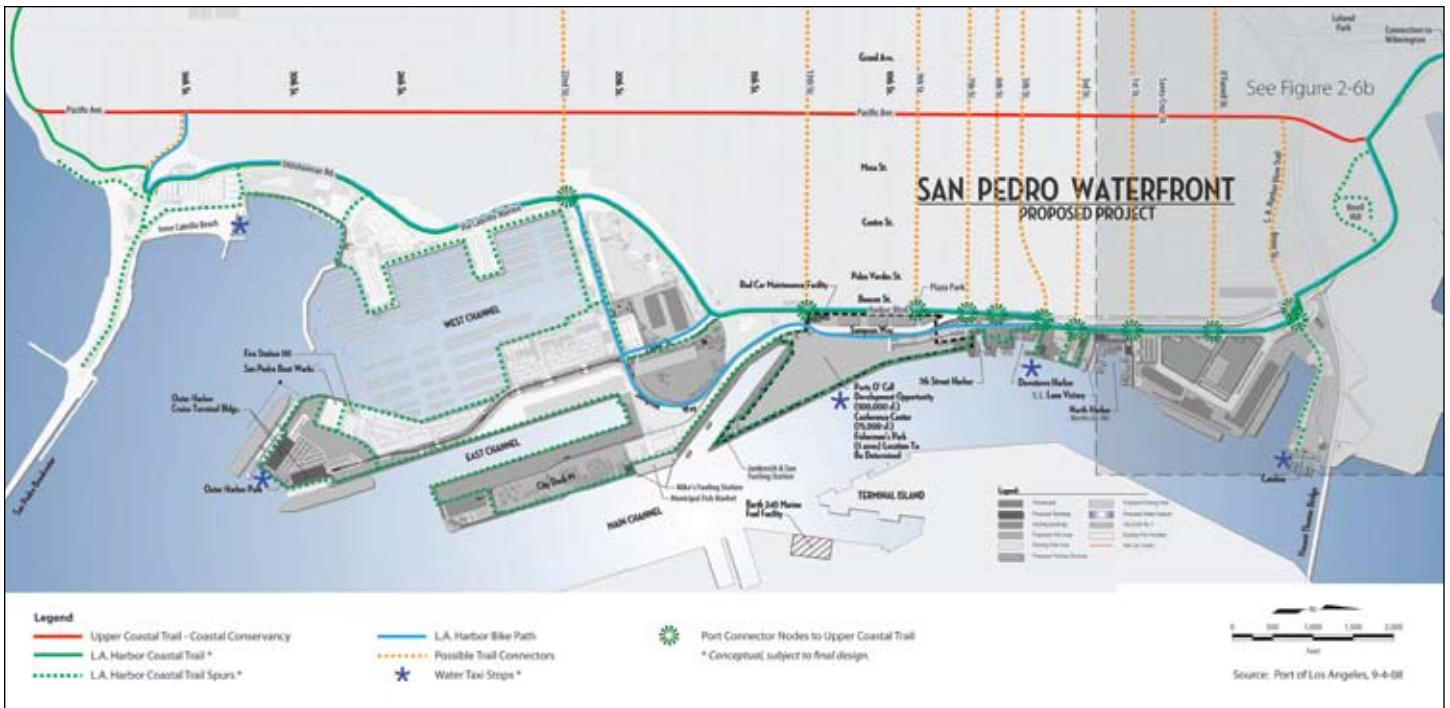
The development of public infrastructure – like plazas, downtown harbors and a continuous waterfront promenade – is the foundation of the San Pedro Waterfront Project. Along the San Pedro Waterfront, this infrastructure will serve as a focal point for public activity. It will provide unprecedented public access and mobility across a waterfront that stretches from the World Cruise Center in the Inner Harbor, to new and exciting downtown-adjacent harbors in the downtown San Pedro waterfront area, to Ports O’ Call establishments, City Dock No.1, the Outer Harbor and Cabrillo Beach. Major infrastructure elements are discussed below.

Waterfront Promenade

The proposed Project includes a continuous eight-mile-long and up to thirty-foot-wide promenade extending throughout the entire proposed Project area primarily at the water’s edge. The promenade would generally include a boardwalk, railing, lighting, pedestrian signage, landscaping, and seating. The waterfront promenade would connect the entire waterfront area and provide venues for special events, signage and information regarding waterfront and downtown San Pedro attractions, and a pedestrian-oriented transportation network.



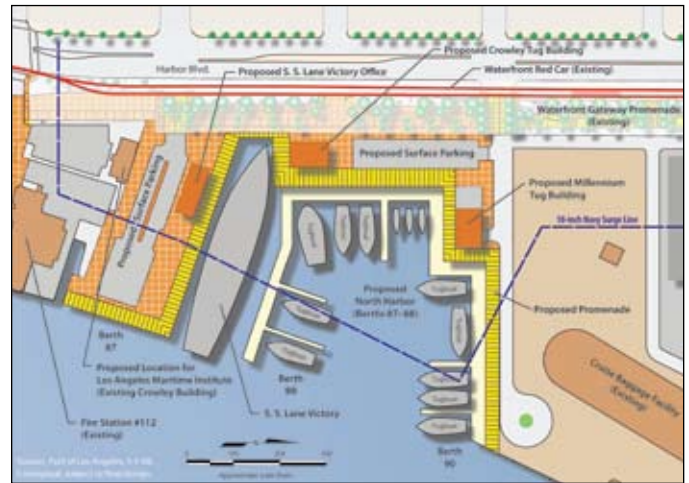
Waterfront Promenade



California Coastal Trail Connections - Bike Paths, Upland Linkages and Water Taxi Stops

New Harbors and 7th Street Pier

Three new harbors are proposed: the North Harbor, the Downtown Harbor, and the 7th Street Harbor. **The North Harbor** would include a 5.0-acre water cut located at Berths 87–90 to accommodate the Crowley and Millennium tugboats and the historic *S.S. Lane Victory* merchant marine vessel. **The Downtown Harbor** would include a 1.5-acre water cut to accommodate the Los Angeles Maritime Institute’s TopSail Youth Program vessels, Port vessels, and other visiting ships. **The 7th Street Harbor** would include a 0.32-acre water cut for visiting public vessels, including tall ships, near the Los Angeles Maritime Museum. The 7th Street Harbor would also feature the **7th Street Pier**, a public dock for short-term berthing of visiting vessels.



North Harbor

Open Spaces and Parks

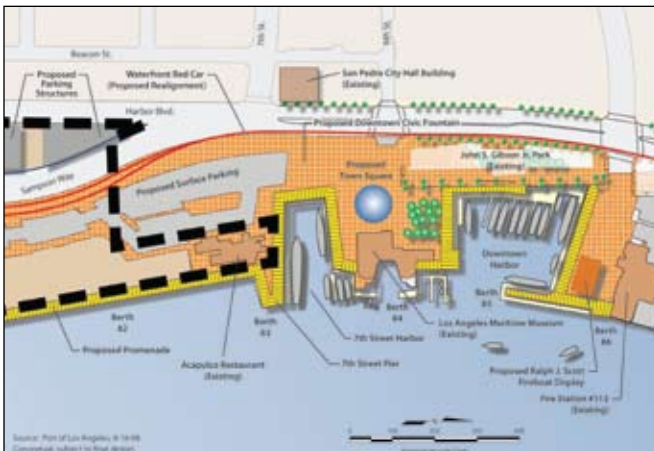
Approximately 27 acres of new parks would be constructed throughout the proposed Project area, including a Fishermen’s Park in Ports O’ Call (approximately three acres), San Pedro Park (eighteen acres), and the Outer Harbor Park (six acres). These open space areas will be connected and easily accessible through a network of promenades, bike paths, coastal trails and the Waterfront Red Car Line.

Fishermen’s Park in Ports O’ Call would be designed as an integral part of the commercial development, allowing for waterfront views, picnicking and special events. Landscaping, outdoor furniture, a sloped area that would serve as an amphitheater with lawn seating for 500 people, and possible water features are envisioned. The precise location of Fishermen’s Park is currently unspecified and will be integrated into the larger redevelopment plan for Ports O’ Call.

San Pedro Park, the project’s “Central Park,” is designed to include an informal amphitheater for harbor viewing, waterfront events, and concerts with lawn seating for approximately 3,000 people north of 22nd Street. The park could include botanical and culturally themed gardens, an overlook for harbor viewing, a sculpture garden/public art, children’s play areas and possible water features.

Outer Harbor Park would be developed as an approximately six-acre park near Berths 45-50, and would be designed to maximize harbor views (such as of Angels Gate lighthouse), facilitate public access to the water’s edge, and encourage special events.

John S. Gibson Jr. Park is an existing 1.61-acre park located south of 5th Street. The proposed Project would maintain the existing memorials at the park and enhance their surroundings with improved hardscape, landscaping, lighting, and interpretive signage.



Downtown Harbor, 7th Street Harbor and 7th Street Pier

A Town Square would be developed as a nearly one-acre public plaza located in front of the Los Angeles Maritime Museum at the foot of 6th Street, and would accommodate approximately 170 people for formal seating arrangements. The Town Square would include a Downtown Civic Fountain, a water feature designed to complement the civic setting of the nearby San Pedro City Hall Building. It is the gateway to downtown San Pedro from the waterfront.

Transportation Infrastructure Improvements

As part of the proposed Project, **Sampson Way** would be realigned and expanded to two lanes in each direction and would curve near the Municipal Fish Markets to meet with 22nd Street in its westward alignment east of Miner Street. Sampson Way would be accessed by an enhanced four-way intersection at 7th Street. Access to Sampson Way from Harbor Boulevard via 6th Street would be eliminated to accommodate the proposed Town Square. In the proposed Project, **Harbor Boulevard** would remain in place at its current capacity with two lanes in each direction. Proposed enhancements would be consistent with design standards for the Community Redevelopment Agency (CRA) Pacific Corridor and the City of Los Angeles Planning Department Community Design Overlay. The **Waterfront Red Car Line** would be extended along the waterfront with stops at the Inner Harbor cruise terminal/Gateway Fanfare Fountain, Downtown Harbor, Ports O’ Call, San Pedro Park, City Dock No. 1, Outer Harbor Park/cruise facilities, 22nd Street Park, and Cabrillo Beach. Areas along the waterfront will be designated for water taxi stops.



The proposed Project will redevelop the west side of the Main Channel through new development, redevelopment of existing sites, tenant relocation in certain instances, and adaptive reuse of some existing tenant facilities. Details of the changes to existing development and new development are included below.

New Development

- **Ralph J. Scott Fireboat Museum:** A new 10,000-square-foot multi-level display structure will be built to house the *Ralph J. Scott* Fireboat near the entrance to the Downtown Harbor. Displays of historical events and artifacts involving the *Ralph J. Scott* would be included in the structure.
- **Crowley and Millennium Tugboat Services:** Two new 10,000 square foot office buildings located at the proposed North Harbor will be needed for Crowley and Millennium tug companies.
- **Waterfront Red Car Maintenance Facility:** A 17,600-square-foot Waterfront Red Car Maintenance Facility with a 20,000-square-foot exterior Red Car service yard will be built at the existing S.P. Railyard south of 7th Street near the proposed 13th Street pedestrian bridge and the proposed bluff parking structures.
- **Cruise Ship Facilities:** Two new berths and terminals located in the Outer Harbor at Berths 45-47 and 49-50 are proposed. Please see further discussion in Section 4 of this document, regarding project elements triggered by market demand.

Redevelopment

Ports O' Call: The proposed Project includes revitalizing the existing Ports O' Call through redevelopment and new commercial development, including a conference center. Redevelopment of Ports O' Call would include up to 300,000 square feet of commercial, retail and restaurant uses, plus an up to 75,000-square-foot conference center. Please see further discussion in Section 4 of this document regarding project elements triggered by market demand.

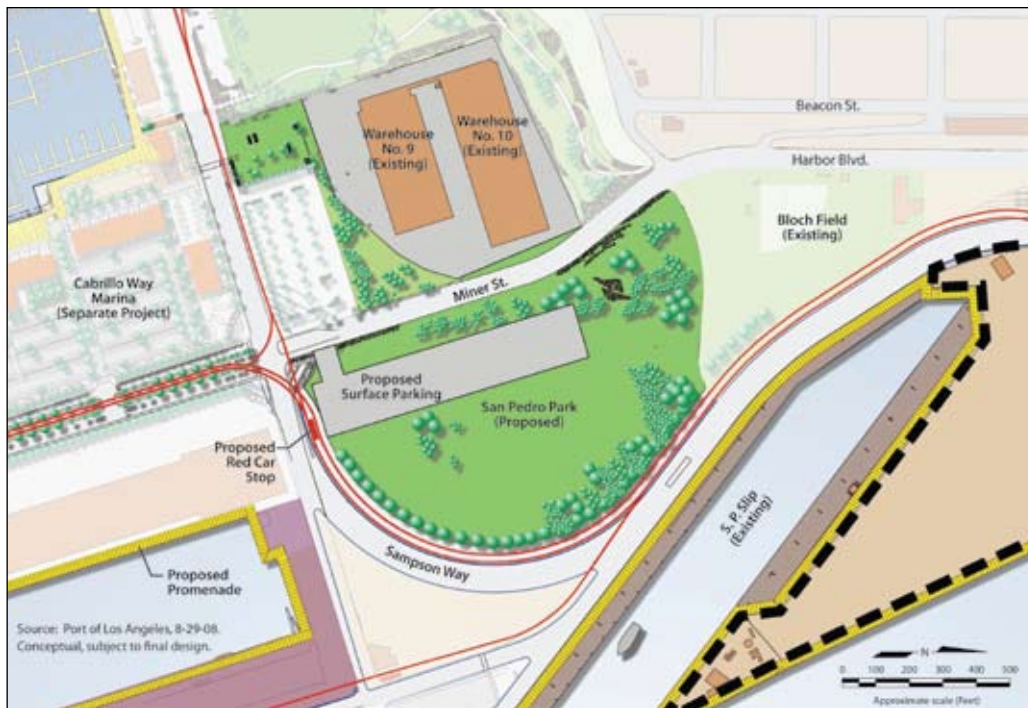
Relocated Development

- **Los Angeles Maritime Institute (LAMI):** LAMI will be relocated to the existing Crowley building in the Downtown Harbor area.
- **S.S. Lane Victory:** The *S.S. Lane Victory* will be relocated from Berth 94 or another interim location to the North Harbor water cut, and will feature a new visitor center up to 10,000 square feet in size.

- **Catalina Express:** The Catalina Express Terminal berthing facilities will be relocated from Berths 95-96 to the existing location of the S.S. *Lane Victory* at Berth 95. However, **Island Express Helicopters** will remain in its existing location at Berth 93E.
- **Jankovich & Sons Fueling Station:** The Jankovich & Sons fueling station currently located at Berth 74 near Ports O' Call will be removed, decommissioned, and remediated. A new fueling station will be built at Berth 240 on Terminal Island.

Adaptive Reuse

- **Warehouses 9 & 10:** Warehouses 9 & 10 and associated backland areas are proposed to be adapted for low-intensity community-serving commercial or educational reuse consistent with adjacent uses. Recent studies indicate significant dry rot damage to these buildings, which could affect their reuse.



San Pedro Park

Removal of Existing Development

- **Southern Pacific Railyard:** The seven-acre S.P. Railyard along Sampson Way, between 7th Street and 13th Street, will be removed to provide opportunities for the proposed bluff site parking structures. However, rail spurs will be retained for exhibit purposes during railroad shows.
- **Westway Terminal Facilities:** The Westway Terminal located at Berths 70–71 will be demolished. Potential future uses of the site include institutional/research and development. A programmatic assessment of City Dock No. 1 and the Westway area for institutional uses was included in the Draft EIS/EIR for the traffic and cumulative impacts analysis. Detailed plans, such as those for a proposed Marine Research Center, will be evaluated under a future separate environmental review process.
- **Mike's Fueling Station:** All hazardous materials with flashpoints below 140°F would be removed prior to opening the proposed waterfront promenade so this facility will comply with LAHD's Risk Management Plan, which prohibits new exposure of visitor-serving populations to hazardous footprints.



One of the key features of the proposed Project is to provide enhanced public access to the waterfront. As the community has voiced in many forums over recent years, non-vehicular access to the San Pedro Waterfront is important. Accordingly, non-vehicular access principles were incorporated to maximize access by foot or bicycle, including a continuous bike path, California Coastal Trail connections (including connections to upland spurs), clearly identified pedestrian crossings, elimination of barriers such as fences and grade differences, and maintenance of water views.

The concept for visitors who travel the project area by car is that they park once and can access all areas of the waterfront conveniently by walking, water taxi, the Red Car, etc. In accordance with the Harbor Boulevard Seamless Study, bicycle and pedestrian connections would be provided at Swinford, O'Farrell, 1st, 3rd, 5th, 6th, 7th, and 9th Streets (pedestrian bridge or signaled crossing); 13th Street (pedestrian bridge and stairway), and 22nd Street. In addition, vehicular access to the waterfront would also be provided at 1st, 3rd, 5th, 6th, and Sampson Way/7th Streets, while maintaining water views.

The proposed Project will incorporate the following principles:

1. A Continuous Promenade

As discussed under Public Infrastructure, the proposed Project completes eight miles of promenade by adding linkages. The promenade would serve as the California Coastal Trail along the waterfront. The promenade would primarily be along the water's edge, including at Ports O' Call. Where loading vessels or other maritime activity would make pedestrian access right at the water's edge unsafe, alternate routes will be used. This EIS/EIR includes specific segments of the promenade not already permitted or constructed.

2. A Continuous Bike Path

Bike paths would travel through the proposed Project area.

3. Connections to the California Coastal Trail

A number of connections to the California Coastal Trail would link the proposed Project to a larger non-vehicular transportation network. Ultimately, the San Pedro Waterfront Project will link to the Buffer Project and Wilmington Waterfront Project through the California Coastal Trail extension, providing walking and biking paths along John S. Gibson and Harry Bridges Boulevard.

4. Connection to the L.A. Harbor View Trail

The connection to the LA Harbor View Trail would be west of Harbor Boulevard at Swinford Street.



5. Connections from Downtown San Pedro and Residential Areas

Enticing and attractive connections from downtown San Pedro and residential areas would provide pedestrian access over the bluff and from downtown to the waterfront.

6. Signage and Hardscape Treatment

Signage and hardscape treatment would clearly identify pedestrian crossings and pedestrian access to the waterfront and downtown San Pedro.

7. Removal of Physical Barriers to the Waterfront

Physical barriers to the waterfront, such as fences required for freight rail activity, would be removed.

8. A Redesigned Red Car System

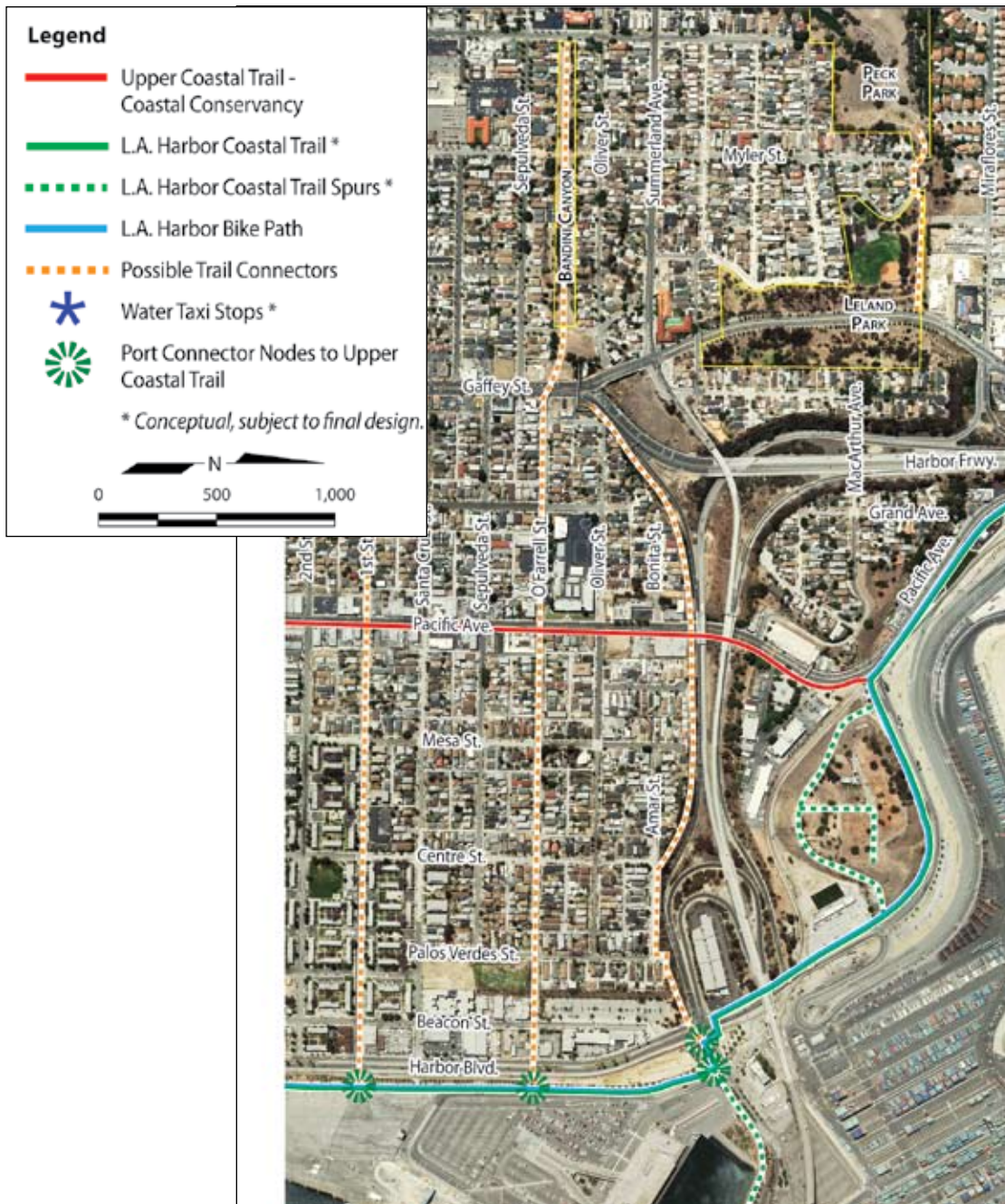
The Waterfront Red Car system would be designed with easy street-level boarding access by pedestrians, as opposed to high boarding platforms.

9. Water Views

Water views would be maintained wherever possible, especially at street connections.

The discussion below highlights two especially important proposed principles to promote public access: facilitating access along the California Coastal Trail and along Upland Connections. These two principles will help connect the San Pedro Waterfront Project to the San Pedro community and much larger regional, non-vehicular transportation networks.

Facilitating Public Access Along Coastal Trail: The *Los Angeles Area California Coastal Trail Access Analysis* (Duvivier Architects, May 2005) report identifies existing portions of the California Coastal Trail, areas that need improvement, and missing links. One of the goals of the proposed Project is to ensure that development along the waterfront is designed to create linkage points to sections of the California Coastal Trail that lead outside the Port. To facilitate such goals, pedestrian and bicycle connections would be maintained and enhanced throughout the proposed Project area, including bicycle stations and lockers, and gateway nodes and connections to the Coastal Trail, including signage, would be created. It is LAHD's hope that the development of the San Pedro Waterfront, which creates an appealing destination for bikers, hikers, and walkers, would serve as a catalyst for the California Coastal Conservancy to undertake the development of those portions of the trail that are outside the Port area.



Connections to the Coastal Trail would be provided through the following improvements:

- Improvements on the west side of Harbor Boulevard at Swinford Street, which were approved as part of the Waterfront Enhancements Project (LAHD, 2006), provide an opportunity to connect to the L.A. Harbor View Trail, which reaches all the way to Western Avenue through a series of green spaces through Peck Park to Leland Park. The trail also extends from Bandini Canyon down to the existing walkway alongside the Harbor Boulevard ramp at Swinford Street. Some improvements to this parcel were included in the Waterfront Enhancements Project but have not yet been constructed. In addition, a joint project between the CRA and the LAHD at the site of the Caltrans Park and Ride lot is another project that creates an opportunity to enhance the connection to the L.A. Harbor View Trail.

- LAHD is extending the California Coastal Trail to Wilmington along Front Street, John S. Gibson Boulevard, and Harry Bridges Boulevard to Avalon Boulevard. Connections to Wilmington and its open spaces were analyzed and approved under the Wilmington Waterfront Development Project EIR.
- Pedestrian walkways, viewing areas and picnic areas constructed along the Cabrillo Beach fishing pier and along Inner Cabrillo Beach as part of the Waterfront Enhancements Project will connect to the Lower Coastal Trail of the California Coastal Trail.

Facilitating Public Access Along Upland Connections: The proposed Project and alternatives would provide connections to downtown San Pedro and other upland areas through the following improvements:

- **Crosswalks and Pedestrian Connections:** In accordance with the Harbor Boulevard Seamless Study (SMWM 2008), connections would be provided at Swinford, O'Farrell, 1st, 3rd, 5th, 6th, 7th and 9th Streets; 13th Street (pedestrian bridge), and 22nd Street. Vehicular access to the waterfront would also be provided at 1st, 3rd, 5th, 6th, and Sampson Way/7th Streets. To strengthen pedestrian access at these locations, destination landmarks and uses are recommended to be developed. These connections would serve as pedestrian gathering places and gateways to the waterfront. The proposed North Harbor would serve as a destination accessed from the 1st Street pedestrian connection, while the Downtown and 7th Street Harbors would serve as destinations directly accessed from the 5th, 6th, and 7th Streets pedestrian connections. The 9th and 13th Streets pedestrian connection would serve Ports O' Call.
- **Upland Bicycle Connections:** The proposed Project would help connect an existing bicycle path along 9th Street from Western Avenue to the waterfront. LAHD will work with LA Department of Transportation (LADOT) to connect the current end of the bike path at 9th and Beacon to extend along Beacon Street and connect to 7th Street and Sampson Way, down to the waterfront. LADOT has also proposed bike connections from Western Avenue along 1st Street, which could connect to the Harbor Boulevard bike path, and along 17th Street, which could connect to Crescent Avenue and Miner Street bike routes. LAHD will also work with City Planning to improve bike connections to downtown San Pedro at 5th, 6th and 7th Streets.
- **Plaza Park:** The proposed Project would incorporate Plaza Park improvements into the design of the Waterfront Project to ensure continuity of design elements. The current grade differential between the waterfront and downtown San Pedro south of 7th Street creates a barrier for pedestrians to access the waterfront below the bluff. Plaza Park, located on Beacon Street, has a staircase down to Harbor Boulevard, but the current park is not very inviting. The China Shipping Container Terminal Project includes a mitigation measure for the LAHD to reconstruct Plaza Park. The proposed Project would enhance access from the park to the waterfront.
- **Access to Ports O' Call from 9th to 13th Streets:** Buildings or parking structures constructed west of Ports O' Call under the bluff would have rooftops designed for pedestrian access (while still accommodating solar panels), viewing areas, and walkways to entice pedestrians to venture down staircases to the waterfront and Ports O' Call. The proposed Project would include a new pedestrian bridge at 13th Street spanning Harbor Boulevard.

DOWNTOWN SAN PEDRO WATERFRONT





The San Pedro Waterfront Project demonstrates the LAHD's commitment to sustainability. The following design features are incorporated into the proposed Project and are consistent with LAHD's sustainability program and policies:

- Reclaimed water would be used for maintaining landscaping, water features, and flushing toilets in new buildings.
- Leadership in Energy and Environmental Design (LEED) Certification (minimum Silver) would be required for all new development over 7,500 square feet, including Outer Harbor cruise facilities (which specify LEED Gold), Ports O' Call development, office buildings, and museums.
- Drought-tolerant plants, natives, and shade trees would be incorporated in the planting palette.
- Permeable paving would be installed to reduce storm water run-off and improve water quality based on Low Impact Development (LID) principles.
- Solar power would be incorporated into all new development to the maximum extent feasible. Within the proposed Project area, photovoltaic panels are already planned to be integrated onto the roof of the existing cruise terminal building at Berth 93, and would also be included at the proposed Inner Harbor parking structures and at the Ports O' Call parking structures along the bluff.
- Numerous pedestrian, bicycle and Waterfront Red Car Line connections are integrated into the project design.



After meeting with members of the community following the release of the Draft EIR/EIS, the LAHD has modified some elements of the proposed Project. These include adding pedestrian crossing opportunities and altering the roof of the parking structures at the bluffs west of the Ports O' Call area.

PUBLIC ACCESS

An additional pedestrian access way was added from the bluff as a result of community feedback. The proposed Project also now includes a signalized pedestrian crossing or pedestrian bridge across Harbor Boulevard at 9th Street.

PARKING STRUCTURES

The rooftops of the Ports O' Call parking structures (under the bluff directly west of Sampson Way) would be developed with green landscaping and solar panels to accommodate pedestrian access and minimize visual disruption toward the waterfront from Harbor Boulevard. These "green" roofs and accompanying staircases will create more inviting and attractive waterfront access points from upland areas.



CRUISE FACILITIES

Long-term forecasts for the cruise industry project a slow growth in passenger volume over the next 10 to 20 years, coupled with a continuing trend in the construction and deployment of larger ships that require more berth space and more room to navigate while in port. Currently, there are two passenger terminals and three berths at the Port's World Cruise Center in the Inner Harbor, enabling the facility to serve two or three smaller, "Princess Class" vessels at the same time. Simultaneous ships calls are an increasingly common occurrence at the Port as cruise lines routinely depart and return on weekend days to meet their passengers' vacation preferences. However, the existing facility will not meet future cruise berthing needs in terms of simultaneously accommodating two or more "Voyager Class" and still larger "Freedom Class" vessels, which require 1,150 feet and 1,250 feet of berth space respectively. It should also be noted that the Main Channel berths contain a "notch" between Berth 92 and Berth 87, breaking the 2,400 feet of berth space unequally into one 1,600-foot section and one 800-foot section.

Adequate landside facilities to embark/disembark the larger number of passengers on these new vessels will also be a future necessity if the Port wants to retain cruise line business. Because Voyager and Freedom Class vessels are also taller than the Princess Class vessels, they cannot pass under the Vincent Thomas Bridge and use the Inner Harbor turning basin to turn their ships around. As a result, they are required to sail backward down the Port's 1.5-mile Main Channel. While backing down the Main Channel is possible, such a maneuver is not a berthing requirement at any other major cruise port in the world. Naturally, it narrows the margin of safety, especially in an active waterway where cargo ships are berthed along the east side of the Main Channel.

The Port's proposed expansion of cruise operations through the construction of an Outer Harbor cruise terminal will offset the existing berth and landside facility constraints in the Inner Harbor and more easily accommodate the navigational needs of larger ships. In the competitive west coast cruise market, an Outer Harbor terminal will enable Los Angeles to retain its position as a top-tier, full-service homeport serving the world's premier cruise lines. During 2006, the most active cruise year to date at the Port, cruise operations generated more than \$281 million in regional economic activity, including more than 2,500 jobs, \$87.5 million in wages/income, and \$11.2 million in state and local taxes. In the Harbor Area, cruise passengers and crew members spent more than \$23 million, while cruise lines spent more than \$65 million in ship supplies and services.

Improvements to Inner Harbor Terminals First

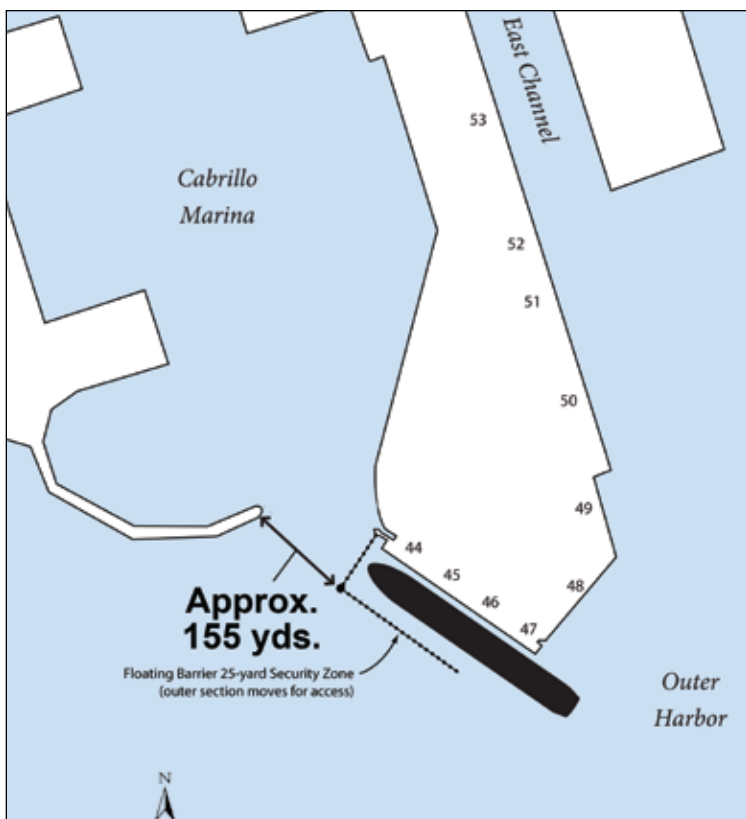
There is some concern in the community that the LAHD will ultimately abandon the Inner Harbor cruise terminal in favor of the Outer Harbor cruise terminal. However, LAHD is in the process of making substantial upgrades and investments to the Inner Harbor facility in order to ensure that it will continue to serve cruise line and passenger needs well into the future. Staff believes that the Board can send a strong message that underscores this financial investment by conditioning the approval of the Outer Harbor cruise facility entitlements on the completion of LAHD's planned investments in the Inner Harbor cruise facilities.

Upgrades to the World Cruise Center in the Inner Harbor, however, will not be enough to sustain or grow L.A.'s cruise business. Over time, the World Cruise Center will effectively be transformed from a three-berth facility to a two-berth facility due to the increase in cruise ship size.

Outer Harbor Cruise Facilities

The proposed Project includes two new Outer Harbor cruise terminals, both two-story terminals totaling up to 200,000 square feet. However, the construction of these terminals would be phased, based on market conditions. Because it is the most cost-effective option, it is recommended that the first Outer Harbor cruise terminal and berth would be built at Berths 45-47, using the existing supertanker landing, which will save an estimated \$13 million in construction costs. Berths 49-50, the second terminal and berth area at Kaiser Point, would be built only if market conditions dictate the need.

The Outer Harbor cruise terminal would incorporate a secured and movable floating security barrier to reduce the zone required to be kept clear of recreational boats around the cruise ship. A secured security barrier would be located perpendicular to Berths 45-47. The movable floating security barrier would extend from the secured barrier and be located parallel to the cruise ship after the cruise ship is docked. The 25-yard floating security barrier would maintain the waterside security of the docked cruise ship, while allowing approximately 155 yards (465 feet) of available space for recreational boaters to access the marinas when a cruise ship is at berth.



Recommendation on Cruise Berth

Staff believes the current plan for investment in the Inner Harbor cruise terminal should be the highest priority and should occur before any investment in the Outer Harbor. Staff is also recommending the Board adopt a project that will allow for the construction of one berth in the Outer Harbor in the near term. Furthermore, staff recommends that the second Outer Harbor berth be entitled but that construction of this second berth only commence if and when market conditions

Proposed Outer Harbor cruise berth

dictate. We make this three-part recommendation so the Board will have flexibility to be responsive to market demands and financial conditions.

Deferring Cruise Parking Structures

Under the proposed Project, parking structures in the Inner Harbor will be built to serve the Outer Harbor cruise facilities. Similar to phasing the development of the second Outer Harbor berth and terminal, the full build-out of the Inner Harbor parking structures may be delayed. The LAHD can meet parking needs for the two berths in the Inner Harbor and one berth in the Outer Harbor by constructing landscaped surface parking at Berth 87. A parking structure would be built when the market dictates the second Outer Harbor cruise berth or the LAHD initiates the North Harbor Cut (discussed more below). Until such time, Berth 87 could be used for surface parking in addition to the existing parking facilities at the Inner Harbor Terminal. Low emissions vehicle (LEV) shuttle buses would transport passengers from the parking facilities at the Inner Harbor to the Outer Harbor.

PORTS O' CALL REDEVELOPMENT

The Ports O' Call redevelopment would include up to 300,000 square feet of commercial uses, and up to 75,000 square feet of conference center space, for a total development size of up to 375,000 square feet.

The LAHD intends to partner with a master developer to create a cohesive design throughout the Ports O' Call parcel and create a regional retail and commercial center with businesses that are unique and relevant to local residents and visitors alike, and reflect the character of the local area. Ports O' Call development will be complementary to the development in downtown San Pedro, and LAHD will jointly support Ports O' Call and downtown San Pedro through the San Pedro Property Owners Business Improvement District. Market demand will drive the ultimate build-out of Ports O' Call, and the project will likely not reach the full 375,000 square feet of development identified in the EIS/EIR anytime soon. Additionally, the 75,000-square-foot conference center will be included in the Request for Proposals for the master developer, but it will not necessarily be incorporated into the final development plans if market demand and the master developer do not support it.

The redeveloped Ports O' Call parcel will accommodate the promenade along the water's edge and more commercial development within the interior of the property, as most parking will be accommodated by adjacent structures along the bluff on the west side of Sampson Way. Studies undertaken by the Urban Land Institute indicate that the site should be reconfigured to create a large, centrally located gathering space. The relocated parking area will provide the master developer with a larger and more non-linear piece of property to develop, opening up opportunities for creating public areas mixed into a configuration of commercial-retail structures that can mask the present back-of-house delivery operations that is so obvious in the present Ports O' Call development.

The Port will accommodate selected existing successful businesses as part of a redeveloped Ports O' Call. Those selected businesses within the Ports O' Call area would not be taken out of service until replacement locations are available.

NORTH HARBOR CUT AND PARKING/EXAMINATION OF FURTHER IMPROVEMENTS TO INNER HARBOR CRUISE TERMINAL

Our proposed Project recommends deferring constructing the North Harbor Cut for economic reasons and staging construction of this element at the end of the overall project construction period. In the interim, LAHD would use the area at Berth 87 for landscaped cruise passenger parking. This will provide an opportunity for the LAHD to defer construction of parking structures at the Inner Harbor cruise terminal until absolutely necessary. In addition, the delay gives LAHD staff some more time to be creative about the parking structure design at the Inner Harbor cruise terminal. Staff will examine how to design parking structures that can also remedy some of the issues with the Berths 91-92 terminal building and replace the functional, but aesthetically unappealing temporary baggage handling structure. Depending on market conditions, it could be that further improvements in the Inner Harbor terminal could help to significantly defer or eliminate the need for a second Outer Harbor berth. Once a commitment is made to construct a second berth in the Outer Harbor, structured parking in the Inner Harbor will be necessary.

However, this delay does not mean that the North Harbor Cut is being eliminated. Staff believes that the North Harbor Cut is an important element of the waterfront and should be constructed at some time. The existing promenade was constructed along Harbor Boulevard with the intention that it would one day run along the edge of a new harbor. However, deferring the construction of a North Harbor and keeping the surface parking for a longer period of time spreads out the financial burden of the project and enables LAHD to study ways to make the Inner Harbor parking structures less obtrusive from the community vantage point.



SAN PEDRO WATERFRONT PROJECT

Opportunities to Explore Future Ideas

SHARED DOWNTOWN PARKING

The LAHD will explore public parking options related to City Redevelopment Agency (CRA) projects located in downtown San Pedro. It may be years before any waterfront public parking structures are needed. However, staff agrees that parking structures should be minimized on the waterfront. To date, the Board has adopted an MOU with the CRA for the development of the Caltrans Park and Ride site adjacent to the Harbor Blvd. exit off the 110/SR47 freeway off-ramps. This parcel could include parking for waterfront visitors. In addition, LAHD is open to considering other joint development opportunities in CRA projects downtown for shared waterfront visitor parking, if anything feasible is proposed.

DOWNTOWN RED CAR LINE

The Red Car Feasibility Study identified a loop through downtown San Pedro. The study indicates that the existing Red Car configuration with high platforms and long handicap ramps at elevated stations, could not be developed in downtown San Pedro without significant impact to local businesses, parking and sidewalks. A connection to the existing Red Car system for a downtown loop is not feasible until the current system is rebuilt. The study recommended that the existing Red Car system be modified to a step-on/step-off type of electric trolley prior to expansion.

The LAHD is currently seeking transportation funding for these modifications. In order to facilitate receipt of transportation funding, the Red Car Feasibility Study also examined the potential for making the Red Car system part of the larger regional transportation network. Several alignments were identified for connecting the Red Car system via North Gaffey Street or Wilmington to the proposed expansion of the Metro light rail system. Making the Red Car system part of the regional transportation network positions LAHD's project for federal transit funding. It also provides a way for regional visitors to access the waterfront.

SAN PEDRO WATERFRONT PROJECT

Next Steps



FUTURE COMMUNITY INVOLVEMENT

The LAHD will continue to build on all of the valuable community input it has received to date. Assuming project approval, LAHD staff will schedule periodic “Public Design Updates” to keep the community informed about the design plans as they move forward. The purpose of these public meetings will be to review design elements and to accept public comments on proposed design plans. These Public Design Updates will take place in a public forum for maximum community involvement. LAHD also will work with specific groups on focused design issues in the same fashion as it recently has with regard to bicycle related elements of the San Pedro Waterfront.

Updated schedules for project implementation are not available at this time. If the Harbor Commission approves the proposed Project, staff will develop a strategy for maintaining continuous investment in the San Pedro Waterfront Area for Board consideration.



Port of Los Angeles, 425 S. Palos Verdes Street, P.O. Box 151, San Pedro, California 90733-0151
Tel/TDD: (310) SEA-PORT • www.portoflosangeles.org

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