

DATE: NOVEMBER 24, 2025

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - SECOND AMENDMENT TO REIMBURSEMENT AGREEMENT NO. 21-9795 WITH BELLWETHER FINANCIAL GROUP, INC.

SUMMARY:

Staff requests approval of the proposed Second Amendment to Reimbursement Agreement No. 21-9795 (Agreement) with Bellwether Financial Group, Inc. (Bellwether) to reimburse the City of Los Angeles Harbor Department (Harbor Department) 100% of staff and consultant costs associated with the preparation of project documents for an environmental evaluation to develop and occupy Berth 44 and associated premises (Site), with the exception of costs related to assessment of contaminated soil/water impacts and historical resources. The proposed Second Amendment will extend the duration of the existing Agreement by one year, from five years to six years, as proposed. No other modifications are proposed. Bellwether will continue to be financially responsible for reimbursement of costs incurred under the Agreement.

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 II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Second Amendment to Reimbursement Agreement No. 21-9795 with Bellwether Financial Group, Inc.;
3. Direct the Board Secretary to transmit said Amendment to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5(a) of the Los Angeles Administrative Code;
4. Authorize the Executive Director to execute and the Board Secretary to attest to, said Amendment to the Agreement for and on behalf of the Board; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – On July 2018, the Harbor Department released a Request for Proposals (RFP) to develop vacant land located at the Site within the Port of Los Angeles as a boatyard. The Site, formerly known as San Pedro Boat Works, was used as a boatyard from 1923 to 2002. The scope of the RFP was to solicit proposals to develop and operate a boatyard to support the needs of the maritime industry and Southern California boater community. The Harbor Department selected Bellwether as the strongest proposer and the Board approved an Exclusive Negotiating Agreement with Bellwether on October 8, 2019.

On March 23, 2021, the Board approved the Agreement for Bellwether to provide reimbursement to the Harbor Department for 100% of staff and consultant costs associated with the preparation of an environmental assessment, with the exception of costs related to assessment of contaminated soil/water and/or water impacts and historical resources. On March 15, 2024, the Board approved the First Amendment to the Agreement to extend the Agreement from three years to five years. The proposed Second Amendment to the Agreement, which would extend the term an additional year, is necessary to allow sufficient time to complete the environmental assessment (Transmittal 1). Bellwether has agreed to pay all staff and consultant costs, as well as any outside legal defense costs (if necessary) associated with the preparation of the environmental assessment, except for costs related to assessment of contaminated soil and/or water impacts and historical resources.

The Site is currently unoccupied and secured by the Harbor Department. Initial remediation of the Site is currently underway. The Site also includes existing structures that are eligible historic resources. The soil under the eligible structures will need to be assessed and remediated. These actions are anticipated to occur after further environmental project analysis.

The Harbor Department's Environmental Management Division has consulting agreements in place for as-needed CEQA environmental services and retained Aspen Environmental Group, LLC as the lead consultant to perform the work in connection with the preparation of the environmental assessment. A Notice of Preparation of an Environmental Impact Report (EIR) for public review and comment was released on January 11, 2024. The Draft EIR is currently being prepared. The Agreement had an original total estimated cost of \$375,000 to complete the environmental assessment for the project; however, due to delays and minor project changes, costs increased. On August 12, 2025, Bellwether was notified of a change in costs for the project to \$525,000. Bellwether will be provided with updated estimated costs if any additional increases occur. Per the existing Agreement, Bellwether will be financially responsible for all costs associated with preparation of the environmental assessment even if the actual costs incurred are higher than the originally estimated amount.

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ENVIRONMENTAL ASSESSMENT:

The proposed action is a Second Amendment to an Agreement with Bellwether, 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 Second Amendment will extend the Agreement by an additional year, from five years to a total of six years. If approved, Bellwether will continue to be required to reimburse the Harbor Department for 100% of all staff and consultant costs related to the preparation of the environmental assessment for the Site except for costs related to assessment of contaminated soil/water and/or water impacts and historical resources over the six-year term.

To-date, Bellwether has reimbursed the Harbor Department, \$161,919 or 30.8% out of \$525,000 in total estimated costs under the Agreement.

The Harbor Department will continue to bill Bellwether on an up to monthly basis as expenses are incurred and paid. Defense costs associated with the environmental review of the project are not included in this estimate due to the uncertainty of estimating the existence or nature of potential litigation costs.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Amendment as to form and legality.

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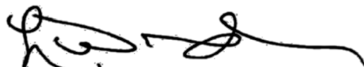
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BELLWETHER FINANCIAL GROUP, INC.

TRANSMITTAL:

1. Second Amendment to Reimbursement Agreement No. 21-9795

FIS Approval: JS

CA Approval: SO



LISA WUNDER
Director of Environmental Management

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

LW:NE:CS:mrx
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