



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: MAY 16, 2019**  
**FROM: ENGINEERING**  
**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - BOATING INFRASTRUCTURE GRANT (BIG) AGREEMENT #C8962433 BETWEEN CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION, DIVISION OF BOATING AND WATERWAYS FOR THE SAN PEDRO WATERFRONT BERTHS 80 TO 83 WATERSIDE IMPROVEMENTS PROJECT ALSO KNOWN AS THE SAN PEDRO PUBLIC MARKET COURTESY DOCK**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) approve the Boating Infrastructure Grant with the State of California Department of Parks and Recreation, Division of Boating and Waterways (State) for the San Pedro Waterfront Berths 80 to 83 Waterside Improvements project (Project).

On August 5, 2016, the City of Los Angeles (Harbor Department) Engineering Division applied for a Boating Infrastructure Grant (BIG) Tier II through the State. The Harbor Department received notice the application was accepted and eligible for \$1,349,623 in funding. The Harbor Department must enter into an agreement with the State to receive the grant funds.

The Project consists of constructing new floats, gangways, piles, as well as utilities at Berths 80 through 83 and is a component of the San Pedro Waterfront Ports O'Call Promenade and Town Square development for a total cost of \$4,218,660. The grant of \$1,349,623 may only be used for construction costs which are currently estimated to total \$3,138,660.

If the proposed BIG Agreement is approved, the Harbor Department would be financially responsible for aggregate Project costs of \$2,869,037, comprised of matching construction costs of \$1,789,037 and preconstruction costs of \$1,080,000.

**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;

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2. Approve the Boating Infrastructure Grant Agreement with the State of California Department of Parks and Recreation, Division of Boating and Waterways;
3. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement, for and on behalf of the Board;
4. Authorize the Executive Director to execute future Agreement Amendments to account for revised project schedules, and/or reduced project costs, for and on behalf of the Board, subject to the approval of the City Attorney as to form and legality;
5. Authorize the Executive Director to execute future project specific Program Supplemental Agreements, subject to approval of the City Attorney as to form and legality; and
6. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background: On August 5, 2016, the Harbor Department Engineering Division applied for a Boating Infrastructure Grant (BIG) Tier II through the State. These federal grants are for boating infrastructure improvements that service transient recreational vessels of at least 26 feet in length. Transient vessels are those "passing through" or staying 15-days or less. The Harbor Department received notice that the application was accepted and is eligible for \$1,349,623 in Federal grant money administered by the State. The grant amount reflects the Harbor Department allowing up to 10% of the floating dock linear footage for vessels under 26 feet in length to berth.

The Boating Infrastructure Grant Program is intended to enhance access to recreational, historic, cultural, and scenic resources, strengthen community ties to the water's edge and economic benefits, promote public-private partnerships and entrepreneurial opportunities, provide continuity of public access to the shore, and promote awareness of transient boating opportunities. All of these enhancements are embraced by the new San Pedro Public Courtesy Dock.

This public floating dock improvement will be constructed by the Harbor Department and turned over to the San Pedro Public Market to manage. This project was designed by the Harbor Department Engineering staff and is part of the San Pedro Waterfront Promenade and Town Square project currently out to bid for construction.

The term of this BIG Agreement is 20 years beginning on the date the project is accepted by the State. Per the BIG Agreement, the project must be completed by February 1, 2021.

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The Harbor Department, in accordance with the BIG Agreement, must ensure the facilities serve its intended purpose throughout its useful life.

Once approved by the Board, the Harbor Department will transmit the BIG Agreement to the Department of Parks and Recreation, Division of Boating and Waterways for further processing. The BIG Agreement is needed in advance of obtaining the actual allocation of the funds and is required before the Harbor Department can start construction. The Harbor Department must spend funds upfront and then request reimbursement from the State. The table below summarizes the construction cost for the project.

BIG Funds	\$ 1,349,623
Harbor Department Match	\$ 1,789,037
<b>TOTAL (construction cost only):</b>	<b>\$ 3,138,660</b>

The BIG Agreement may be extended, amended, or cancelled upon written agreement of both the State and Harbor Department. The grant is valid and enforceable only if sufficient funds are made available to the State by the United States government. The State or Harbor Department may terminate this BIG Agreement for convenience or default, and any funds contributed by the State shall be reimbursed. The Harbor Department must add the State as additional insured which has been reviewed by the Risk Management Division and found to be acceptable.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the BIG Agreement with the State of California Department of Parks and Recreation, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed project 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:**

Acceptance of the proposed BIG Agreement would make the Harbor Department eligible to receive \$1,349,623 in BIG Program funds for certain construction costs associated with the Project.

Total Project costs are estimated to be \$4,218,660, comprised of \$3,138,660 in construction costs and \$1,080,000 in preconstruction costs. Pending approval of the BIG Agreement, the Harbor Department would be responsible for \$2,869,037 in total Project costs with funding of \$1,349,623 available under the BIG Agreement.

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A total of \$4,218,660 is programmed within the Harbor Department's 10-year Capital Improvement Plan (actuals through March 2019) for the Project with spending expected to occur as follows:

Previous FY	\$ 12,084
FY 2019	\$ 69,363
FY 2020	\$ 1,686,719
FY 2021	\$ 2,307,743
FY 2022	\$ 142,751
<b>Total</b>	<b>\$ 4,218,660</b>

As part of the Fiscal Year (FY) 2019 Budget adoption process, \$304,841 was budgeted within Work Order (WO) 2539000, and funding of \$1,234,939 has been proposed for inclusion within the FY 2020 Budget within WO 2539000, subject to Board approval. To the extent that FY 2020 budgeted funds within WO 2539000 are not sufficient to meet FY 2020 spending needs, surplus funding with the Unallocated Capital Improvement Program Fund (WO 1900000) may be available for use. The Harbor Department's financial obligations beyond FY 2019 are contingent upon the Board's appropriation of funds as part of the annual budget process.

If the proposed BIG Agreement is approved, grant receipts and Harbor Department matching funds are estimated to be expended as follows:

<b>Fiscal Year</b>	<b>BIG</b>	<b>Harbor Dept. Match</b>	<b>Total Construction Costs</b>
FY 2020	\$ 1,020,000	\$ 203,687	\$ 1,223,687
FY 2021	\$ 329,623	\$ 1,585,350	\$ 1,914,973
<b>Total</b>	<b>\$ 1,349,623</b>	<b>\$ 1,789,037</b>	<b>\$ 3,138,660</b>

The grant is on a reimbursement basis, which requires the Harbor Department to budget and subsequently expend the funds for the Project.

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**CITY ATTORNEY**

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

**TRANSMITTALS:**

1. Agreement No. C8962433 with Department of Parks and Recreation, Division of Boating and Waterways

FIS Approval:   
CA Approval: 



DAVID M. WALSH, P.E.  
Chief Harbor Engineer



ANTONIO V. GIOIELLO, P.E.  
Deputy Executive Director, Development

APPROVED:



EUGENE D. SEROKA  
Executive Director

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