

**DATE: JANUARY 23, 2019**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE RIGHT OF ENTRY PERMIT WITH LOS ANGELES DEPARTMENT OF WATER & POWER**

**SUMMARY:**

Staff requests approval of a Right of Entry Permit (Permit) with the Los Angeles Department of Water & Power (LADWP) to allow the City of Los Angeles Harbor Department (Harbor Department) to access and enter approximately 7.389 acres of property owned by LADWP (LADWP Property) located south of Harry Bridges Boulevard and west of Avalon Boulevard in Wilmington, CA. The Permit is for a term of three years, with two 1-year extension options, and will allow the Harbor Department to commence construction activities on the LADWP Property for the development of the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects while the Harbor Department and LADWP process a permanent exchange of property rights. As the Permit is being offered rent-free, the Harbor Department's financial obligations will not be impacted by the approval of the proposed Permit.

**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(i) of the Los Angeles City CEQA Guidelines - any activity for which the underlying project has previously been evaluated for environmental significance (SCH# 2008031065, APP# 050927-164);
2. Find that it is in the best interest of the Harbor Department to enter into a Right of Entry Permit with the Los Angeles Department of Water & Power to enter Los Angeles Department of Water & Power property for purposes of construction activities;
3. Approve the Right of Entry Permit with Los Angeles Department of Water & Power;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Right of Entry Permit; and
5. Adopt Resolution No. \_\_\_\_\_

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**DISCUSSION:**

Background: The Harbor Department has been in discussions with LADWP regarding an exchange of properties located along Harry Bridges Boulevard in Wilmington, CA. Obtaining LADWP Property (parcels A, B and C in map exhibit of Transmittal 1) is necessary for the Harbor Department's development of the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects (Wilmington Waterfront Projects). These Wilmington Waterfront Projects were conceived to create community open space amenities that increase economic opportunity in the adjacent community, connect Wilmington with its historic waterfront, and provide regional linkages to attract new visitors to the LA Waterfront through the community of Wilmington. The Wilmington Waterfront Projects were identified in the Port of Los Angeles Wilmington Waterfront Development Program Master Plan and included in the Wilmington Waterfront Development Project Final EIR, approved by the Board in June 2009. The project area consists of Harbor Department-owned property, privately-owned property, and the LADWP Property. The LADWP Property is a critical component of the development, as a majority of the Avalon Promenade and Gateway Project consist primarily of land owned by LADWP.

The Harbor Department and LADWP, with the assistance of Council District 15, have come to a mutual agreement on a framework for a permanent real estate exchange. The transaction involves LADWP and the Harbor Department mutually exchanging property and consenting to street vacations resulting in each party receiving similar total square footages.

The Permit (Transmittal 1) allows the Harbor Department to gain early, temporary access to the LADWP Property involved in the permanent exchange to perform tasks needed to initiate construction for the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects, while the Harbor Department and LADWP process a permanent exchange of property rights.

Proposed Action: Staff recommends Board approval of the Permit based on the following terms:

Term: Three years, plus two 1-year extension option periods by mutual agreement of parties.

Premises: Approximately 7.389 acres of LADWP property located south of Harry Bridges Boulevard and west of Avalon Boulevard in Wilmington, CA.

Use: Allows Harbor Department entry onto LADWP property to commence and conduct construction activities.

Compensation: This is a no-rent Right of Entry Permit.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Right of Entry Permit with LADWP for a term of 3 years, which is an activity for which the underlying project has been previously assessed in the Wilmington Waterfront Development Project (SCH# 2008031065), which was certified by the Board of Harbor Commissioners on June 18, 2009. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

The proposed Permit will allow the Harbor Department to access the LADWP Property in order to commence construction activities for the development of the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects. Although the proposed Permit is being provided rent-free, the Harbor Department will continue to be financially responsible for project costs associated with the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects. Based on the most recent 10-year Capital Improvement Plan (with actuals through September 2018), the Harbor Department anticipates spending associated with the Wilmington Waterfront Promenade to be \$52,700,000 while spending associated with the Avalon Promenade and Gateway is estimated to be \$23,800,000 for aggregate spending of \$76,500,000 associated with these two projects.

**CITY ATTORNEY:**

The Right of Entry Permit has been approved as to form and legality by the Office of the City Attorney.

**TRANSMITTAL:**

- 1. Right of Entry Permit



MICHAEL J. GALVIN  
Director of Waterfront & Commercial Real Estate

FIS Approval: MB  
CA Approval: JMC

  
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

  
EUGENE D. SEROKA  
Executive Director