



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 5, 2014**

**FROM: PLANNING & ECONOMIC DEVELOPMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - ISSUANCE OF A LEVEL II COASTAL DEVELOPMENT PERMIT (NO. 14-05) TO FISHERMAN'S PRIDE PROCESSORS, INC. DBA NEPTUNE FOODS TO CONVERT VACANT FACILITIES AND LAND INTO A SEAFOOD PROCESSING FACILITY**

**SUMMARY:**

Fisherman's Pride Processors, Inc. dba Neptune Foods (FPP) is requesting a coastal development permit to convert approximately 188,220 square feet of vacant industrial facilities and land into a seafood processing facility at 338 Cannery Street. The proposed facility includes approximately 150 square feet of non-exclusive wharf for a fish pump at Berth 265. Staff is recommending that the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 14-05, a Level II appealable permit for the proposed project.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Level II appealable Coastal Development Permit No. 14-05;
2. Find that the proposed project conforms with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
3. Upon closure of the public hearing, resolve to approve the issuance of a Level II appealable Coastal Development Permit No. 14-05, consistent with the project description listed on Application for Discretionary Project No. 130417-062, and direct the Director of Planning & Economic Development to issue said permit; and
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – On August 31, 2012, the City of Los Angeles Harbor Department (Harbor Department) released the 338 Cannery Street Request for Proposals (RFP) to solicit a qualified entity for the redevelopment of the historic fish processing and cannery facility on Terminal Island. The facility has been vacant since Tri-Union Seafoods, LLC dba Chicken of the Sea International vacated in late 2011. Only one proposal, from Neptune, was received in response to the RFP.

The proposed project will convert approximately 100,000 square feet of vacant industrial facilities, 56,700 square feet of vacant land, 31,370 square feet of open courtyard, and 150 square feet of non-exclusive wharf into a seafood processing facility at 338 Cannery Street (Transmittal 1). The scope of the project includes installing floor drains, processing lines, scales, tape machines, a walk-in cooler, plate freezers, box assembly machines, stationary blast cell freezers, an ice maker, and a fish pump on the wharf. The project will consist of rehabilitating and constructing offices, restrooms, shower, and lounge spaces, as well as repairing the existing freezer room, electrical, plumbing, fire sprinkler system, doors, loading dock canopy, and other related updates. The parking and loading areas will be repaved. Approximately 5,760 square feet will be added to the existing building to include mechanical and storage spaces.

On February 6, 2014, the Board approved and adopted the Final Initial Study/Mitigated Negative Declaration for the proposed project and granted a ten-year permit, with two five-year tenant options to extend the lease.

Neptune will bear all costs (estimated at \$7.5 million, subject to a \$1.5 million credit reimbursement from the Harbor Department) to establish a seafood processing facility. The cost reimbursement is a rent credit offsetting rent payments and will not result in an outflow of funds from the Harbor Department. Construction is expected to start in March 2014 and is scheduled for completion by January 2015.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 8, is a Level II appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles' Certified Port Master Plan*. A Level II coastal development permit is required for developments that pose potential minor changes in the density and/or intensity of land and/or water use, or developments that may have minor environmental impacts which can be mitigated. The proposed project is a Level II coastal development permit as the development poses minor changes in the density and intensity of the land and minor environmental impacts that can be mitigated (Transmittal 2).

The proposed project is consistent with the Port Master Plan as the proposed commercial fishing facility development is an allowable use in Master Planning Area 8. The proposed project is consistent with Chapter 8 policies of the California Coastal Act

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of 1976, as amended. Specifically, the improvements are consistent with Section 30708 that gives highest priority for the use of existing land within harbors for port purposes.

Under Section 30715(a)(4) of the California Coastal Act, coastal development permits issued by the Board are appealable if they involve commercial fishing facilities. An appeal to the California Coastal Commission (Coastal Commission) may be filed within ten working days of the Board's approval of CDP No. 14-05. Should an appeal be filed, the Coastal Commission shall hear the appeal and approve, modify, or deny the proposed project unless the Coastal Commission determines that no substantial issue exists as to conformity with the port master plan, as outlined in Section 30600.5(d).

The public notice for the proposed development was published on February 5, 2014 (Transmittal 3).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level II appealable CDP to FPP for the establishment of a seafood processing facility at 338 Cannery Street in Terminal Island (proposed project). The environmental impacts of the proposed project were assessed in an IS/MND prepared pursuant to the requirements of the California Environmental Quality Act (CEQA). The IS/MND was adopted by the Board on February 6, 2014. Upon adoption of the IS/MND by the Board, the Director of Environmental Management has determined that the issuance of a CDP, as an activity for which the underlying project has been previously assessed, is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

The redevelopment associated with the proposed coastal development permit is anticipated to support 114 one-year full-time-equivalent jobs (66 direct, 48 secondary) in the five-county region during construction. It is estimated that ongoing operations will support 30 to 40 year-round jobs and at least 100 jobs during seasonal peaks.

**FINANCIAL IMPACT:**

FPP will be responsible for all upgrades and improvements to the facility, estimated at \$7.5 million, subject to a \$1.5 million dollar credit reimbursement from the Harbor Department. The cost reimbursement is a rent credit offsetting rent payments and will not result in an outflow of funds from the Harbor Department. This amount will only be applied to improvements to the Harbor Department-owned real property assets and will not be used for any equipment, fixtures or other items that are specific to the tenant's business. Ongoing operating and maintenance costs associated with the proposed project will continue to be fully borne by the applicant. The Harbor Department will continue to be responsible only to maintain the wharf.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed this matter and determined that it raises no legal issues at this time.

**TRANSMITTALS:**

1. Site Location Map
2. CDP No. 14-05
3. Public Notice

FIS Approval: MLP (initials)

CA Approval: gme (initials)



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APPROVED:



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ADP No. 130417-062