



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 24, 2010

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. _____ - MEMORANDUM OF UNDERSTANDING WITH THE DEPARTMENT OF RECREATION AND PARKS FOR THE IMPLEMENTATION OF THE PLAZA PARK IMPROVEMENT PROJECT FUNDED THROUGH THE CHINA SHIPPING AMENDED STIPULATED JUDGMENT COMMUNITY AESTHETIC MITIGATION PROGRAM

SUMMARY:

On December 18, 2008, the Board of Harbor Commissioners (Board) authorized the Executive Director to negotiate a Memorandum of Understanding (MOU) with the City of Los Angeles Department of Recreation and Parks (Department of Recreation and Parks) to fund the Plaza Park Improvement Project (Project or Plaza Park Project) in San Pedro. The Board approved the MOU in October 2009. The purpose of the MOU was to establish a process through which the Harbor Department could disburse funds to the Department of Recreation and Parks to commence implementation of the Plaza Park Project. Subsequently, discussions between Harbor Department staff and Department of Recreation and Parks staff resulted in proposed revisions to the MOU funding schedule in order to support expedited construction of certain elements of the Plaza Park Project that would not interfere with planning for the San Pedro Waterfront. As a result, this new MOU replaces the MOU that was approved in October 2009. Staff therefore recommends approval of the new MOU to implement the agreed upon schedule modifications. The revisions would add one year to the MOU term but would not change the total contract amount not-to-exceed \$5,000,000. After Board approval, the Department of Recreation and Parks Commission will need to approve the MOU before it is executed.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the MOU with the Department of Recreation and Parks, substantially as to form, in an amount not-to-exceed \$5,000,000 for a term of three years;

DATE: NOVEMBER 24, 2010

PAGE 2 OF 5

SUBJECT: PLAZA PARK IMPROVEMENT PROJECT

2. Authorize the Executive Director to execute and the Board Secretary to attest to, said MOU, for and on behalf of the Board;
3. Instruct the Board Secretary to transmit the Board Report and MOU to the Department of Recreation and Parks Board for approval at which time the Department of Recreation and Parks will forward it to the Mayor's office for review as required by Mayor's Executive Directive No. 3; and
4. Adopt Resolution No. _____.

DISCUSSION:

Aesthetic Mitigation Program Background – The City of Los Angeles Harbor Department (Harbor Department) created a five-year Community Aesthetic Mitigation Program in 2003 as part of the China Shipping Settlement Agreement, which was approved in March 2003, and later amended in June 2004 (Amended Stipulated Judgment or ASJ). This program, which is funded by the Harbor Department in the amount of \$30 million, mandates that aesthetic mitigation funds be expended for improvements that would reduce aesthetic impacts resulting from port operations. Projects are recommended by the San Pedro and Wilmington communities through the Port Community Advisory Committee (PCAC) to the Board via staff. The projects are processed by staff through a protocol established in the ASJ, including review by the State Lands Commission for consistency with the State Tidelands Trust Act, after which they are presented to the Board for consideration. The Plaza Park Project was identified through this ASJ process.

Project History – Plaza Park is located on City of Los Angeles property in San Pedro between Seventh and Thirteenth Streets and Beacon Street and Harbor Boulevard (see aerial and site photographs in Transmittal 2). The proposed Project is the renovation of the existing park to provide a viewing location of the Vincent Thomas Bridge. The Plaza Park Project was approved by the Port Community Advisory Committee (PCAC) in 2005 following a public selection process carried out by PCAC. This Project was also included as an off-site mitigation measure in the China Shipping Environmental Impact Report, approved by the Board on December 18, 2008.

On December 18, 2008, the Board authorized the Executive Director to negotiate a MOU with the Department of Recreation and Parks to fund the Plaza Park Project. In October 2009, the MOU between the Harbor Department and the Department of Recreation and Parks was approved by the Board. The approved MOU provided a process for the transfer of money from the Harbor Department to the Department of

DATE: NOVEMBER 24, 2010

PAGE 3 OF 5

SUBJECT: PLAZA PARK IMPROVEMENT PROJECT

Recreation and Parks for development and implementation of the Plaza Park Project. Subsequent to Board approval of the MOU and before it could be executed by the parties, the Department of Recreation and Parks requested certain changes to termination language in the MOU that were deemed substantial enough by the Harbor Department's City Attorney's Office that they would require Board approval of a modified MOU. The MOU therefore was modified and the Department of Recreation and Parks Commission approved it on April 7, 2010. However, the modified version never made it to the Board for approval, because Harbor Department staff, in the meantime, determined that if the Plaza Park Project proceeds as originally designed, some components would conflict with potential road realignment and waterfront pedestrian access decisions being made as part of the San Pedro Waterfront Enhancements project. For this reason, a new phased implementation for the Plaza Park Project has been planned in conjunction with the Department of Recreation and Parks.

The new phased plan would allow certain portions of the park to be constructed right away, without interfering with areas that may be impacted by the San Pedro Waterfront project. The new MOU now being recommended for approval is the result of discussions between the Harbor Department staff and Department of Recreation and Parks staff, and it replaces the MOUs which had previously been approved and never executed. The new MOU incorporates the changes requested by the Department of Recreation and Parks and the needs of the Harbor Department to implement the Plaza Park Project in phases. While the best phasing approach is still being determined, it is anticipated that the flat area adjacent to Beacon Street will be renovated during the first phase along with geotechnical and engineering work. The slope and stairs adjacent to Harbor Boulevard will be renovated during the second phase. The changes to the MOU establish a mechanism through which the Harbor Department can disburse funds to the Department of Recreation and Parks to commence implementation of the Plaza Park Project. The Department of Recreation and Parks will be responsible for all administrative and contracting requirements necessary to implement the Plaza Park Project within the funding provided under the MOU.

Plaza Park is located adjacent to Harbor Boulevard which will be realigned along with Sampson Way to best accommodate improvements as part of the Harbor Department's San Pedro Waterfront Enhancements project. The realignment plans are in the preliminary concept stage and will require community input to complete design. The Plaza Park Project has already been designed in concept, and the Department of Recreation and Parks and their project team are prepared to finalize components of the design and undertake survey, engineering, and geotechnical studies. The benefit of the phased approach is to get the Plaza Park Project underway and implement as many components as possible, rather than wait for the road realignment decisions to be

DATE: NOVEMBER 24, 2010

PAGE 4 OF 5

SUBJECT: PLAZA PARK IMPROVEMENT PROJECT

finalized, thereby eliminating “throw-away” work that might conflict with roadway improvements. The Plaza Park Project phases will be developed cooperatively by the Department of Recreation and Parks’ project team and Harbor Department staff and will be approved by the Executive Directors of both Departments.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an Agreement between the City of Los Angeles Harbor Department and the Department of Recreation and Parks to fund the Plaza Park Project. The Plaza Park Project was assessed in the Berth 97-109 [China Shipping] Container Terminal Project Environmental Impact Statement/Environmental Impact Report (EIS/EIR), certified by the Board in December 2008. The proposed action does not include any potential changes from what was assessed under the San Pedro Waterfront project. As such, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Sections 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

This Board action establishes a MOU with the Department of Recreation and Parks to implement the Plaza Park Project. After Project completion, the Department of Recreation and Parks will be responsible for all operating and maintenance costs associated with the park. Funds for Plaza Park Project in the amount of \$5,000,000 are available in Account 21952, Community Aesthetic Mitigation, Center 7000, Program 000. It is anticipated that the funds will be expended as follows:

FY 10/11	\$ 890,000
FY 11/12	\$ 2,055,000
FY 12/13	<u>\$ 2,055,000</u>
TOTAL	\$ 5,000,000

Funding the FY 10/11 is contained in the current budget. Funds for the future fiscal years will be requested to be budgeted as part of the annual budget adoption process upon Board approval.

DATE: NOVEMBER 24, 2010

PAGE 5 OF 5

SUBJECT: PLAZA PARK IMPROVEMENT PROJECT

ECONOMIC BENEFIT:

Approval of the MOU will support 40 direct and 35 secondary one-year equivalent jobs in the five-county region.


CITY ATTORNEY:

The Memorandum of Understanding is currently under review by the Office of the City Attorney.

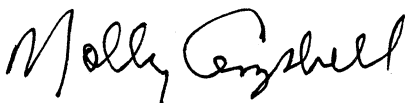
TRANSMITTALS:

1. Memorandum of Understanding with the Department of Recreation and Parks
2. Plaza Park Project Aerial and Site Photographs

FIS Approval: KP



CHRISTOPHER CANNON
Director of Environmental Management


for MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



for GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: Teresa Scognamillo
BOARD MEETING: 12/02/2010

FILE: G:\ADMIN\BOARD REPORTS\AIR QUALITY\CHINA SHIPPING ASJ COMPLIANCE\AESTHETIC MITIGATIONS\PLAZA PARK\PLAZA PARK - FINAL.docx

UPDATED: 11/29/2010 - TS