



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 31, 2017

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIRST AMENDMENT TO AGREEMENT NO. 13-3125 ISSUED TO WESTREC MARINA MANAGEMENT, INC.

SUMMARY:

Staff requests approval of the First Amendment to Agreement No. 13-3125 between Westrec Marina Management, Inc. (Westrec) and the City of Los Angeles Harbor Department (Harbor Department). Agreement No. 13-3125 provides for the operation, management, and maintenance of the Cabrillo Way Marina (CWM), its structures, and facilities located in San Pedro, on behalf of the Harbor Department.

The First Amendment to Agreement No. 13-3125 will revise Exhibit B, Scope of Work (SOW). The revisions include reference to the installation of a third and fourth crane for boat hoisting operations. Also included are modifications to the number of dry boat storage stall spaces from 400 to 325; changes to the berthing slip count from 697 to 692; and additional maintenance requirements to be performed by Westrec. Additionally, reference to coordinating or reporting on some items to the Harbor Department's Construction and Maintenance (C&M) Division will be deleted. Installation of the third crane shall take place upon approval of Westrec's 2016/2017 annual budget, which will be considered under a separate Board action. A fourth crane may be installed, if needed, in the future without further amendment but conditioned on budget approval by the Board of Harbor Commissioners.

Amending the SOW provides an updated and comprehensive outline of the maintenance responsibilities to be conducted by Westrec.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) and Article III Classes 1(1) and 1(14) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the First Amendment to Agreement No. 13-3125 with Westrec Marina Management, Inc.;

SUBJECT: APPROVAL OF FIRST AMENDMENT TO WESTREC MARINA MANAGEMENT, INC. UNDER AGREEMENT NO. 13-3125

3. Direct the Board Secretary to transmit the First Amendment to City Council for approval pursuant to Charter Section 606;
4. Authorize the Executive Director to Execute and the Board Secretary to attest to the First Amendment upon approval by City Council; and
5. Adopt Resolution No. _____

DISCUSSION:

Background – Agreement No. 13-3125 was approved by the Board at its meeting on June 6, 2013, and allows Westrec to operate, manage, and maintain the Harbor Department's CWM, effective July 1, 2013 through June 30, 2018, with two five-year options to extend the term. CWM consists of approximately 64.14 acres of land and water in San Pedro, and was originally designed for 697 recreational berthing slips, 400 dry boat storage stalls, two existing cranes for boat hoisting, with design allowance for a total of four cranes, pump out stations, parking lots, promenades, boater facilities, and public restrooms (Transmittal 1). All improvements are owned by the Harbor Department and maintained by Westrec.

Amendment Terms – The current SOW (Exhibit B of Agreement No. 13-3125, Transmittal 2) provides a detailed outline of the marina's premises and maintenance responsibilities and is proposed to be revised in the First Amendment (Transmittal 3). The SOW is being revised to reflect current operational requirements in order to provide clear direction regarding the areas of responsibility for each party.

Scope of Maintenance – The amended SOW will now require that Westrec provide all fire equipment and lighting maintenance to the marina, a service currently provided by the Harbor Department's Construction and Maintenance Division. Westrec has included these maintenance services in its 2016/2017 budget, and Harbor Department staff reviewed and concurs with those expense allocations. A side-by-side comparison of the amended items is provided in the SOW Summary (Transmittal 4).

Revised Slip Count – The dry boat storage facility was originally designed to accommodate up to 400 boat trailers, with design allowance for up to four cranes to hoist boats in and out of the water. Adjustments to the operation to allow for maximum utility required a redesigned layout that only accommodates 325 boats. The facility is currently 100 percent occupied. The current berthing slip count of 697 is being amended to 692 slips on the basis that the ten 130' slips cannot accommodate berthing 130' vessels side by side as initially intended during construction of CWM. Creating larger slips to accommodate 130' vessels will bring the slip count down to 692 as noted.

DATE: JANUARY 31, 2017

PAGE 3 OF 4

SUBJECT: APPROVAL OF FIRST AMENDMENT TO WESTREC MARINA MANAGEMENT, INC. UNDER AGREEMENT NO. 13-3125

Additional Crane – The two existing cranes are not capable of meeting the high demand for boat hoisting operations. Therefore, Westrec is seeking to install a third crane as soon as possible. With the dry boat storage area at full occupancy, there is a need for a third crane to maximize operational efficiency. The cranes are utilized by dry boat storage tenants and not available to the general boating public. These dry storage tenants pay a monthly boat storage fee, which includes one daily round-trip of hoisting service. After the acquisition of the third crane is approved through this First Amendment and subject to the Board's approval of the Westrec budget, Westrec will submit the required applications to secure a Harbor Engineering Permit to install the crane. Following commencement of operations with three cranes, Westrec will evaluate the need for a fourth crane which will be subject to further staff and Board review in a subsequent annual budget review.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a First Amendment to Agreement No. 13-3125 with Westrec to revise Exhibit B of the Agreement to reference installation of a third and fourth crane for boat hoisting operations, modifications to the dry boat storage stall delineations, changes to the slip count and additional maintenance requirements. Installation of four cranes was previously evaluated as part of the Supplemental Environmental Impact Report for the West Channel/Cabrillo Marina Phase II Development Project, which was certified by the Board on December 3, 2003. The other changes represent interior or exterior alterations involving remodeling or minor construction where there be negligible or no expansion of use and the amendment of a permit to use an existing facility involving negligible or no expansion of use. As such, the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) and Article III Classes 1(1) and 1(14) of the City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed First Amendment places additional maintenance responsibilities, currently performed by the C&M Division, upon Westrec, which has increased the expense budget for Westrec by approximately \$150,000. The cost of installing a third crane has been estimated at approximately \$100,000. This budget line item is included in Westrec's proposed budget for Fiscal Year 2016/2017. Upon approval of the budget presented in a separate Board action, it is anticipated that the third crane shall be installed during Fiscal Year 2016/2017. The fourth crane that Westrec is solely responsible for installing is planned to be installed if needed and subject to future budget approval by the Board. All other amended maintenance responsibilities within the SOW have also been included in the Westrec's proposed 2016/2017 budget and accounted for.

DATE: JANUARY 31, 2017

PAGE 4 OF 4

SUBJECT: APPROVAL OF FIRST AMENDMENT TO WESTREC MARINA
MANAGEMENT, INC. UNDER AGREEMENT NO. 13-3125

CITY ATTORNEY:


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

TRANSMITTALS:


1. Site Map
2. Scope of Work
3. First Amendment
4. Scope of Work Summary

FIS Approval: MB (Initials)
CA Approval: JH (Initials)


MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate


MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


For EUGENE D. SEROKA
Executive Director

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