

DATE: JANUARY 4, 2021

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - REIMBURSEMENT AGREEMENT
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND
CABRILLO WAY PARTNERS**

SUMMARY:

Staff requests approval of a proposed Reimbursement Agreement (Agreement) with Cabrillo Way Partners to reimburse the City of Los Angeles Harbor Department (Harbor Department) one hundred percent of staff and consultant costs associated with the preparation of an environmental document for development of the Cabrillo Way Marina at 2293 Miner Street Project (Project). The proposed Agreement is for a term of three years with an estimated amount of \$150,000. Cabrillo Way Partners is financially responsible for these expenditures.

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 California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed Reimbursement Agreement with Cabrillo Way Partners to reimburse the City of Los Angeles Harbor Department for preparation of the environmental assessment for the development of Cabrillo Way Marina at 2293 Miner Street for a contract term of three years and for an estimated base amount of \$150,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to, said Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____.

DATE: JANUARY 4, 2021

PAGE 2 OF 4

SUBJECT: CABRILLO WAY PARTNERS REIMBURSEMENT AGREEMENT

DISCUSSION:

Background/Context – In 2019, the Harbor Department released and posted on the Port of Los Angeles (Port) website a Request for Proposals (RFP) to solicit a qualified entity to develop land located at 2293 Miner Street. The Project includes a variation of the final stages of development that the Port previously evaluated in the 2003 West Channel/Cabrillo Marina Phase II Development Project Final Supplemental Environmental Impact Report (SEIR) (SCH# 98041086) and 2008 Addendum. The Project would be similar to the original project evaluated in the Final SEIR and Addendum, but would include construction and operation of two hotels instead of some of the originally proposed retail buildings and other minor modifications. The proposal includes a marina club, maritime-related offices and retail, hotels, restaurants, and boater-related storage. All proposed buildings would be located within the existing project footprint. Construction and operation of the Project would occur in three phases. This Project located at 2293 Miner Street includes a new long-term lease of the approximately 90-acre Cabrillo Way Marina site.

Proposed Project and Schedule –The Harbor Department will prepare an environmental document that must be completed before development at Cabrillo Way Marina can occur. Cabrillo Way Partners has agreed to pay all staff and consultant costs for the preparation of the environmental document for the development of the Project, as well as any outside legal defense costs (if necessary) associated with the preparation of the environmental document.

ENVIRONMENTAL ASSESSMENT:

CEQA Documentation and Schedule – The Harbor Department, as the CEQA lead agency, will conduct the necessary environmental assessment activities and special studies to satisfy the requirements of CEQA. The length of time to complete the environmental assessment is subject to several conditions, including determination of the appropriate environmental document after performing an Initial Study.

Environmental Assessment Cost and Consultant Selection – The total estimated cost to prepare the environmental assessment for the project, including staff charges and consultant services, is approximately \$150,000. This cost assumes that the environmental document would be a Negative Declaration or a Mitigated Negative Declaration. Actual costs may be higher or lower than these estimates. The Harbor Department Environmental Management Division has consulting agreements in place for as-needed CEQA/National Environmental Policy Act (NEPA) environmental services and will select the lead consultant to prepare the environmental document. Staff review and oversight for the environmental assessment will begin following Board approval of this proposed Agreement.

DATE: JANUARY 4, 2021

PAGE 3 OF 4

SUBJECT: CABRILLO WAY PARTNERS REIMBURSEMENT AGREEMENT

Proposed Reimbursement Agreement – The proposed action is approval of a proposed Agreement for a term of three years, with a one hundred percent reimbursement of costs associated with the preparation of the environmental document. The preparation of the environmental document, which would assess the development of the Project, is estimated to cost \$150,000 (Transmittal 1). As an administrative activity, the Director of Environmental Management has determined that the proposed action 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:

Approval of the proposed Agreement will require Cabrillo Way Partners to reimburse the Harbor Department for one hundred percent of all staff and consultant costs and project fees for the preparation of the environmental document being prepared to assess the construction and proposed development of the Project.

Initial payments from the Harbor Department for consultant costs and project fees will be recognized as receivables to Account No. 11225 (Reimbursable Costs-Env Projects) Center No. 7000 (Balance Sheet), Program No. 000 (Base Budget) for work as follows:

FY 2021/22	\$	145,000
FY 2022/23	\$	<u>5,000</u>
TOTAL	\$	150,000

The Harbor Department will bill Cabrillo Way Partners on an up to monthly basis upon agreement execution. As the Harbor Department receives reimbursement payments from Cabrillo Way Partners for the consultant costs and project fees, the reimbursement payments will clear the associated receivable transactions.

CITY ATTORNEY:

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

DATE: JANUARY 4, 2021

PAGE 4 OF 4

SUBJECT: CABRILLO WAY PARTNERS REIMBURSEMENT AGREEMENT

TRANSMITTAL:

1. Reimbursement Agreement with Cabrillo Way Partners

FIS Approval: MB
CA Approval: SO



CHRISTOPHER CANNON
Director of Environmental Management



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

CC/YO
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