

DATE: NOVEMBER 20, 2023

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT NO. 21-9795 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND BELLWETHER FINANCIAL GROUP

SUMMARY:

Staff requests approval of the proposed First Amendment to Reimbursement Agreement No. 21-9795 (Agreement) with Bellwether Financial Group (Bellwether) to reimburse the City of Los Angeles Harbor Department (Harbor Department) 100% of staff and consultant costs associated with the preparation of project documents for an environmental evaluation to develop and occupy Berth 44 and associated premises (Site), with the exception of costs related to assessment of contaminated soil and/or water impacts and historical resources. The proposed First Amendment would extend the duration of the existing Agreement by two years, from three years currently to five years, as proposed. No other modifications are proposed. Bellwether will continue to be financially responsible for the costs associated with the preparation of the project document.

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(f) of the Los Angeles City CEQA Guidelines;
2. Approve the First Amendment to Reimbursement Agreement No. 21-9795 with Bellwether Financial Group;
3. Direct the Board Secretary to transmit the First Amendment to Agreement No. 21-9795 to the Los Angeles City Council for approval pursuant to Section 373 of the Charter of the City of Los Angeles and Section 10.5(a) of the Los Angeles Administrative Code;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 21-9795 for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DATE: NOVEMBER 20, 2023

PAGE 2 OF 4

SUBJECT: FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT WITH BELLWETHER FINANCIAL GROUP

DISCUSSION:

Project Background/Context – In July 2018, the Harbor Department released a Request for Proposals (RFP) to develop vacant land located at the Site within the Port of Los Angeles as a boatyard. The Site, formerly known as San Pedro Boat Works, was used as a boatyard from 1923 to 2002. The scope of the RFP was to solicit proposals to develop and operate a boatyard to support the needs of the maritime industry and Southern California boater community. The Harbor Department selected Bellwether as the strongest proposer and the Board approved an Exclusive Negotiating Agreement with Bellwether on October 8, 2019.

On March 23, 2021, the Board approved an Agreement for Bellwether to provide reimbursement to the Harbor Department for 100% of staff and consultant costs associated with the preparation of an environmental assessment. Bellwether has agreed to pay all staff and consultant costs, as well as any outside legal defense costs (if necessary) associated with the preparation of the environmental assessment, except for costs related to assessment of contaminated soil and/or water impacts and historical resources.

The Site is currently unoccupied and secured by the Harbor Department. Initial remediation of the Site is currently underway. The Site also includes existing structures that are eligible historic resources. The soil under the eligible structures will need to be assessed and remediated. These actions are anticipated to occur after further environmental project analysis.

The Harbor Department's Environmental Management Division has consulting agreements in place for as-needed CEQA environmental services and retained Aspen Environmental Group, LLC as the lead consultant to perform the work in connection with the preparation of the environmental assessment. A Notice of Preparation of an Environmental Impact Report for public review and comment has not yet been released. The Agreement has an original total estimated cost of \$375,000 to complete the environmental assessment for the Project; however, due to delays and minor project changes, costs may increase. Bellwether will be provided with updated estimated costs once they are available. Per the existing reimbursement agreement, Bellwether will be financially responsible for all costs associated with preparation of the environmental assessment even if the actual costs incurred are higher than the originally estimated amount.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an amendment to an Agreement with Bellwether, which is an administrative activity. Therefore, the Director of Environmental Management has

DATE: NOVEMBER 20, 2023

PAGE 3 OF 4

SUBJECT: FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT WITH BELLWETHER FINANCIAL GROUP

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 First Amendment extends the reimbursement Agreement by two years for a total contract term of five years. Per the Agreement terms, Bellwether is required to reimburse the Harbor Department for 100% of all staff and consultant costs related to the preparation of the environmental assessment for the project.

Through June 2023, the Harbor Department has invoiced Bellwether \$57,301. It is anticipated that expenses for the preparation for the environmental assessment will be recognized as receivables to Account No. 11225 (Reimbursable Costs- Env Projects) Center No. 7000 (Balance Sheet), Program No. 000 (Base Budget) as follows:

FY 2021/22	\$ 15,119
FY 2022/23	\$ 42,182
FY 2023/24	\$ 100,000
FY 2024/25	\$ 100,000
FY 2025/26	\$ 100,000
FY 2026/27	<u>\$ 17,699</u>
TOTAL:	\$ 375,000

The Harbor Department will continue to bill Bellwether on a periodic basis (not more frequently than monthly) when the agreement is extended. As the Harbor Department receives reimbursement payments from Bellwether 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 Amendment as to form and legality.

DATE: NOVEMBER 20, 2023

PAGE 4 OF 4

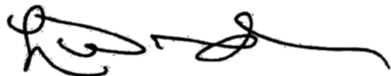
SUBJECT: FIRST AMENDMENT TO REIMBURSEMENT AGREEMENT WITH
BELLWETHER FINANCIAL GROUP

TRANSMITTAL:

1. First Amendment to Reimbursement Agreement No. 21-9795

FIS Approval: MB

CA Approval: SO



LISA WUNDER
Acting Director of Environmental Management

Michael DiBernardo

MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

LW:NE:SW:mrx
AUTHOR: S. WORKMAN

FILE: Y:_ADMIN\ BOARD REPORTS\ CEQA\BELLWETHER REIMBURSEMENT\ FIRST AMENDMENT\Environmental_Bellwether Amend 1_ Board Report - FINAL.docx
UPDATED: 11/22/2023 10:23 am MRX