

AGREEMENT NO. \_\_\_\_\_

AGREEMENT BETWEEN  
THE CITY OF LOS ANGELES AND  
ALTASEA AT THE PORT OF LOS ANGELES

THIS AGREEMENT (“Agreement”) is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation (“City”), acting by and through its Board of Harbor Commissioners (“Board”) and ALTASEA AT THE PORT OF LOS ANGELES, a California non-profit public benefit corporation, 222 W. 6<sup>th</sup> Street, Suite 1010, San Pedro, California 90731 (“AltaSea”).

WHEREAS, City and AltaSea entered into Lease No. 904 effective December 23, 2013 (“Lease”) for a fifty-year term which authorizes AltaSea to construct, operate and maintain a world class urban marine research facility commonly known as “AltaSea at the Port of Los Angeles” on property owned and controlled by the Los Angeles Harbor Department (“Department”); and

WHEREAS, AltaSea proposes to utilize Warehouses 58, 59 and 60 as authorized pursuant to the Lease under its interim use provisions, as well as a portion of Berth 57 pursuant to the issuance of a Revocable Permit or similar authorization by the Department, for a research and development business hub and incubator in accordance with the permitted uses under the Lease (“Project”); and

WHEREAS, AltaSea has applied for grant funding through the U.S. Economic Development Administration (“EDA”) to fund infrastructure improvements at the Project site (“Infrastructure Project”); and

WHEREAS, in accordance with EDA regulations, the Department, as property owner, was required to be a co-applicant with AltaSea in order for the EDA to award AltaSea a grant; and

WHEREAS, the EDA awarded AltaSea and the Department, as Co-Recipients, a grant in the amount of Three Million Dollars (\$3,000,000) to fund portions of the Infrastructure Project; and

WHEREAS, the EDA requires AltaSea and the Department to agree to certain terms and conditions for acceptance of the grant award, the documents for which are more thoroughly described herein; and

WHEREAS, the purpose of this Agreement is to establish the relationship, responsibilities and obligations as between the Department and AltaSea as Co-Recipients for the EDA grant award;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. AltaSea and the Department agree to be Co-Recipients for the EDA grant to assist AltaSea in funding the Infrastructure Project.
2. Any Infrastructure Project costs or expenditures not funded by an EDA grant award shall be the sole responsibility of AltaSea. The Department shall not be responsible for any costs or expenditures of the Infrastructure Project.
3. AltaSea shall be responsible for complying with the Lease, as it exists now or may be amended from time to time, for acceptance of any parcels or portions of parcels in order to construct the Project.
4. AltaSea and the Department agree that each party will comply with the application forms and award documents that they execute and any applicable statutes and regulations, said compliance shall be limited by the obligations and conditions set forth for each party in this Agreement; and as compliance pertains to the Department, as may be further limited by federal, state or City laws and regulations applicable to the Department.
5. The parties agree to the terms of the following application materials, each of which are included with this Agreement as Exhibit A:
  - i. SF-424, Application for Federal Assistance.
  - ii. SF-424C, Budget Information – Construction Programs
  - iii. SF-424D, Assurances - Construction Programs.
  - iv. ED-900, General Application for EDA Programs
  - v. ED-900A, Additional EDA Assurances for Construction or Non-Construction Investments.
  - vi. ED-900B, Beneficiary Information Form
  - vii. ED-900C, EDA Application Supplement for Construction Programs, including Environmental Narrative and Appendix “A” - Applicant Certification Clause
  - viii. ED-900E, Calculation of Estimated Relocation and Land Acquisition Expenses
  - ix. ED-900P, EDA Proposal Form
  - x. Form CD-511, Certification Regarding Lobbying.
  - xi. Disclosure of Lobbying Activities, where lobbying for the Project is conducted.

In addition to items (i) through (xi) in Section 5 above, AltaSea submitted additional documents to the EDA as part of the EDA grant application process, which are listed in Exhibit B. These documents were prepared separately from the application materials and each party either has access to or possession of these materials.

6. AltaSea and the Department will have their respective boards approve and thereafter each party agrees to comply with the following grant award documents listed and included with this Agreement as Exhibit C:
  - i. Financial Assistance Award, Project Number 07-01-07315, dated September 28, 2016.
  - ii. Special Award Conditions for Project Number 07-01-07315, Business Hub Infrastructure at City Dock No. 1.
  - iii. Economic Development Administration Standard Terms and Conditions for Construction Projects, dated February 12, 2016.
  
7. AltaSea and the Department agree that the following responsibilities for compliance with and the administration of the grant awarded by the EDA will be as follows:
  - i. AltaSea shall file all EDA project reports.
  - ii. AltaSea shall be the party designated to receive and distribute grant funds and file EDA financial reports.
  - iii. AltaSea shall be responsible for all bidding, award and management of the construction projects that occur on the property described in the grant award documents.
  - iv. Notwithstanding other statements in this Agreement, the parties agree that AltaSea shall be solely responsible for completing all EDA grant award obligations, including the creation of jobs at the Project site.
  - v. AltaSea shall be solely responsible for the repayment of all EDA funds disbursed pursuant to the grant in the event that repayment is necessary in order to extinguish the Federal Interest (as defined by federal regulation and the EDA) in the Project property.
  - vi. After the useful life of the Improvements, but in no case more than 20 years from the Project Closeout as defined in the Special Award Conditions Section 6 or 25 years from October 28, 2016, whichever is later, AltaSea shall obtain the release of the Federal Interest and compensate the EDA for the Federal Share in the Project property to remove the covenant recording obligation with respect to explicitly religious activities, pursuant to the requirements of 13 C.F.R. 314 in effect at the time this Agreement is entered into or as said regulation may be revised from time to time by the federal government. The Department agrees to cooperate with AltaSea in its obligation to obtain release of the Federal Interest by recording a covenant as required under 13 C.F.R. 314.10 with the sole restriction being "at no time shall the Property be used for any purpose that would violate the nondiscrimination requirements set forth in 13 C.F.R. 302.20."

8. Each party to this Agreement shall issue a certified resolution providing that the signatory executing the Agreement is authorized to sign the Agreement on behalf of that party.
9. In consideration of the Department co-applying with AltaSea for the EDA grant, AltaSea undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, including repayment of all funds disbursed by the EDA, in the event that AltaSea fails to fulfill any obligations of the EDA grant award arising in any manner by reason of any acts, errors, omissions or misconduct incident to the completion or performance of the Infrastructure Project, performance under or compliance with the Lease, or fulfillment of the EDA grant award obligations by AltaSea or its subcontractors of any tier. Rights and remedies available to the City under this provision are cumulative of those provided for in the Lease and those allowed under the laws of the United States, the State of California, and the City. The parties agree that this indemnification term shall survive the termination or cancellation of this Agreement.
10. In the event of any conflict between this Agreement (or any portion thereof) and Lease No. 904 between AltaSea and City as in effect on the effective date of this Agreement, as it may be amended from time to time or if superseded by a subsequent lease, the terms of the Lease shall prevail.
11. Subject to the provisions of Charter Section 373, the effective date of this Agreement shall be the date of its execution by the Department's Executive Director upon authorization of the Board. AltaSea is aware that pursuant to Charter Section 373 and Administrative Code Section 10.5, this Agreement requires approval by City Council prior to becoming effective.
12. This Agreement shall be in full force and effect commencing from the effective date and shall continue until the earlier of the following occurs:
  - a. All EDA grant award obligations are completed to the satisfaction of the EDA, any Federal Interest in the Property is extinguished and the EDA's Federal Share in the Property is repaid by AltaSea; or
  - b. The Board of Harbor Commissioners, in its sole discretion, terminates and cancels all or part of this Agreement for any reason upon giving to AltaSea thirty (30) days' notice in writing of its election to cancel and terminate this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Dated: \_\_\_\_\_

By \_\_\_\_\_  
EUGENE D. SEROKA  
Executive Director

Attest: \_\_\_\_\_  
AMBER M. KLESGES  
Board Secretary

ALTASEA AT THE PORT OF LOS ANGELES

Dated: \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)

Attest \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)

APPROVED AS TO FORM AND LEGALITY

\_\_\_\_\_, 2016  
MICHAEL N. FEUER, City Attorney  
JANNA B. SIDLEY, General Counsel

By \_\_\_\_\_  
Heather M. McCloskey, Deputy

# Exhibit A

**SF-424**

**Application for  
Federal Assistance**

# **AltaSea at the Port of Los Angeles**

Application for Federal Assistance SF-424		
* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): _____ * Other (Specify): _____
* 3. Date Received: Completed by Grants gov upon submission.	4. Applicant Identifier: _____	
5a. Federal Entity Identifier: _____	5b. Federal Award Identifier: _____	
<b>State Use Only:</b>		
6. Date Received by State: _____	7. State Application Identifier: _____	
<b>8. APPLICANT INFORMATION:</b>		
* a. Legal Name: AltaSea at the Port of Los Angeles		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 46-3977904	* c. Organizational DUNS: 0269994220000	
<b>d. Address:</b>		
* Street1: 222 W Sixth Street Ste 100	Street2: _____	
* City: San Pedro	County/Parish: _____	
* State: CA: California	Province: _____	
* Country: USA: UNITED STATES	* Zip / Postal Code: 90731-7838	
<b>e. Organizational Unit:</b>		
Department Name: _____	Division Name: _____	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
Prefix: Mrs.	* First Name: Jenny	
Middle Name: _____	* Last Name: Krusoe	
Suffix: _____	Title: Executive Director	
Organizational Affiliation: _____		
* Telephone Number: 424-210-4323	Fax Number: 424-210-4228	
* Email: jkrusoe@altasea.org		

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

M: Nonprofit with 501C3 IRS Status (Other than Institution of Higher Education)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Economic Development Administration

**11. Catalog of Federal Domestic Assistance Number:**

11.300

CFDA Title:

Investments for Public Works and Economic Development Facilities

**\* 12. Funding Opportunity Number:**

EDAP2016

\* Title:

FY 2016 Economic Development Assistance Programs • Application submission and program requirements for EDA's Public Works and Economic Adjustment Assistance programs.

**13. Competition Identification Number:**

PW-EAA-C

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

AltaSea Phase 1A Infrastructure Improvements

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="3,000,000.00"/>
* b. Applicant	<input type="text" value="5,588,000.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="8,588,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes  No

If "Yes", provide explanation and attach

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

**Authorized Representative:**

Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**City of Los Angeles  
Harbor Department**

Application for Federal Assistance SF-424		
<b>* 1. Type of Submission:</b> <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	<b>* 2. Type of Application:</b> <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	<b>* If Revision, select appropriate letter(s):</b> _____ <b>* Other (Specify):</b> _____
<b>* 3. Date Received:</b> _____	<b>4. Applicant Identifier:</b> _____	
<b>5a. Federal Entity Identifier:</b> _____	<b>5b. Federal Award Identifier:</b> _____	
<b>State Use Only:</b>		
<b>6. Date Received by State:</b> _____	<b>7. State Application Identifier:</b> _____	
<b>8. APPLICANT INFORMATION:</b>		
<b>* a. Legal Name:</b> City of Los Angeles, Harbor Department		
<b>* b. Employer/Taxpayer Identification Number (EIN/TIN):</b> 95-6000735	<b>* c. Organizational DUNS:</b> _____	
<b>d. Address:</b>		
<b>* Street1:</b> 425 S. Palos Verdes Street	_____	
<b>Street2:</b>	_____	
<b>* City:</b> San Pedro	_____	
<b>County/Parish:</b> Los Angeles	_____	
<b>* State:</b> CA: California	_____	
<b>Province:</b>	_____	
<b>* Country:</b> USA: UNITED STATES	_____	
<b>* Zip / Postal Code:</b> 90733-0151	_____	
<b>e. Organizational Unit:</b>		
<b>Department Name:</b> Harbor Department	<b>Division Name:</b> Waterfront & Com'l Real Estate	
<b>f. Name and contact information of person to be contacted on matters involving this application:</b>		
<b>Prefix:</b> Mr.	<b>* First Name:</b> Michael	_____
<b>Middle Name:</b> J.	_____	
<b>* Last Name:</b> Galvin	_____	
<b>Suffix:</b>	_____	
<b>Title:</b> Director, Waterfront & Commercial Real Estate		
<b>Organizational Affiliation:</b> _____		
<b>* Telephone Number:</b> 310.732.3860	<b>Fax Number:</b> 310.547.1725	
<b>* Email:</b> mgalvin@portla.org		

**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

C: City or Township Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Economic Development Administration

**11. Catalog of Federal Domestic Assistance Number:**

11.300

CFDA Title:

Investments for Public Works and Economic Development Facilities

**\* 12. Funding Opportunity Number:**

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\* Title:

FY 2016 Economic Development Assistance Programs • Application submission and program requirements for EDA's Public Works and Economic Adjustment Assistance programs.

**13. Competition Identification Number:**

PW-EAA-C

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

AltaSea Phase 1A Infrastructure Improvements

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="3,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text"/>
* e. Other	<input type="text" value="5,588,000.00"/>
* f. Program Income	<input type="text"/>
* g. TOTAL	<input type="text" value="8,588,000.00"/>

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- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

- Yes
- No

If "Yes", provide explanation and attach

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an Internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:   
Middle Name:   
\* Last Name:   
Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**SF-424C**

**Budget Information –  
Construction Programs**

**BUDGET INFORMATION - Construction Programs**

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ 100,000.00	\$	\$ 100,000.00
2. Land, structures, rights-of-way, appraisals, etc.	\$	\$	\$
3. Relocation expenses and payments	\$	\$	\$
4. Architectural and engineering fees	\$	\$	\$
5. Other architectural and engineering fees	\$	\$	\$
6. Project inspection fees	\$ 550,000.00	\$	\$ 550,000.00
7. Site work	\$ 7,529,000.00	\$	\$ 7,529,000.00
8. Demolition and removal	\$	\$	\$
9. Construction	\$	\$	\$
10. Equipment	\$	\$	\$
11. Miscellaneous	\$	\$	\$
12. SUBTOTAL (sum of lines 1-11)	\$ 8,179,000.00	\$	\$ 8,179,000.00
13. Contingencies	\$ 409,000.00	\$	\$ 409,000.00
14. SUBTOTAL	\$ 8,588,000.00	\$	\$ 8,588,000.00
15. Project (program) income	\$	\$	\$
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ 8,588,000.00	\$	\$ 8,588,000.00

**FEDERAL FUNDING**

17. Federal assistance requested, calculate as follows:  
 (Consult Federal agency for Federal percentage share.) Enter eligible costs from line 16c Multiply X  %  
 Enter the resulting Federal share. \$ 3,005,800.00

**SF-424D**

**Assurances –  
Construction Programs**

# **AltaSea at the Port of Los Angeles**

## ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009  
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

<b>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</b> <input type="text" value="Completed on submission to Grants.gov"/>	<b>TITLE</b> <input type="text" value="Executive Director"/>
<b>APPLICANT ORGANIZATION</b> <input type="text" value="AltaSea at the Port of Los Angeles"/>	<b>DATE SUBMITTED</b> <input type="text" value="Completed on submission to Grants.gov"/>

**City of Los Angeles  
Harbor Department**

**ASSURANCES - CONSTRUCTION PROGRAMS**

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**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the

National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

**ED-900**

**General Application  
For EDA Programs**



# ED-900 – General Application for EDA Programs

## A. Applicant Information

A.1. EDA Application Identifier (if available):

A.2. Please identify all applicants for this project:

	Name	SAM.gov CAGE Code	SAM.gov Registration Expiration Date	Fiscal Year End Date (mm/dd)
Lead Applicant	AltaSea at the Port of Los Angeles	7FFX5	08/10/2016	12/31
Co-Applicant 1				

## B. Project Information

### B.1. Define and describe the region in which the investment (project) is located

AltaSea has defined its primary region to be the County of Los Angeles. LA County has long been the center of technology and innovation and has repositioned itself to be one of the leading innovation economies in the nation. In 2013 alone, the economic contribution of high tech in the County included \$58.7 billion in labor income and \$108.3 billion to the regional gross domestic product. Combined with the abundance of talent available in the County, this makes Los Angeles County an ideal location for a state-of-the-art marine technology center such as AltaSea. Not only does the County have numerous assets, so too does the location of AltaSea's campus in San Pedro, located in the City of Los Angeles.

Los Angeles County is by all accounts a world-class economy which stretches across a geographic area of 4,084 square miles and has a population of approximately 10 million residents, making it the largest county in the nation. The City of Los Angeles itself is the third largest metropolitan economy in the world, with a population of over 3.7 million in 2010 and a GDP of over \$700 billion. The population of Los Angeles County is very diverse. In 2014, the demographic profile indicates that 49.0% of the population is Hispanic, 26.7% white non-Hispanic, 13.8% Asian-Pacific Islander, 8.3% black; and 2.2% other races. About 76% of the population has a high school diploma, while 29% holds a bachelor's degree or higher. By comparison, 81% of the state's population has a high school diploma, with 30% obtaining a bachelor's degree or higher.

The County has a diverse economic base and is home to a dynamic workforce of almost 4 million, producing a gross regional product estimated to be \$544 billion. Measured by 2013 private sector employment, the leading industry clusters are: 1) local health services with 394,950 workers; 2)

local hospitality establishments with 348,320 employees; 3) commercial services with 279,060 workers; 4) trade with 264,470 workers; and 5) business services with 243,210 workers. Further, the burgeoning high tech industry in LA County alone employed more than 368,500 people in 2013, more than any other metro region in the nation.

This geographic clustering of industries enables firms to both compete and collaborate, increasing demand for supplier industries, encouraging the growth of specialized local infrastructure, developing a pool of specialized labor, and, through rivalry and proximity, spurring innovation, productivity, new advancements and regional prosperity. Further, the "new economy" of Los Angeles County is largely technology driven. This sector includes biomedical, digital information technology and environmental technology.

Higher and specialized education is a core strength of Los Angeles County, with 113 four-year public and private college and university campuses. These range from University of California Los Angeles (UCLA), University of Southern California (USC), the California Institute of Technology (CalTech), and the Claremont Colleges, to top-rated specialized institutions like the Art Center College of Design, the California Institute for the Arts, the Fashion Institute of Design and Merchandising, and the Otis College of Art and Design. Medical education is also a strong point. Los Angeles has two each of medical schools, dental schools, and eye institutes, plus specialized research and treatment facilities such as the City of Hope and LA BioMed. In addition, the county's 33 community colleges offer many innovative programs, including culinary arts, fashion design, multimedia, computer assisted design and manufacturing.

Mindful of the Port's long history and renewed international interest in marine research to address the challenges of global climate change, in 2007, the Port of Los Angeles proposed to devote a section of its property to encourage development of a Marine Research and Development Park in San Pedro, now called AltaSea. Accordingly, recognizing that academic marine research facilities represented a land use compatible with the plans for the waterfront, SCMI will also move its laboratory facilities to the AltaSea location, taking strategic advantage of this opportunity to collaborate.

Especially important in this large urban complex of more than ten million people, is the close relationship that coastal residents and the coastal ocean share. A wide variety of universities and colleges in the region historically and currently study these phenomena. Yet, among all these institutions of higher learning, there are very few laboratories located on the coast that would permit either large-scale marine laboratory science or ready access to the marine environment for exploration and study.

Scientific interest in global climate change and its related phenomena as well as scientific studies directed at monitoring and developing mitigation strategies for these changes are a major focus of university marine researchers in Southern California, especially in the Los Angeles basin. Unfortunately, the demands of the research, the urgency of the problems on regional, national and global scales as well as the limitations of the current SCMI Fish Harbor Marine Laboratory—the only marine lab in Los

Angeles Harbor-hinder advancement in many of these fields and limit research to the home campuses where direct ocean access is not possible. Currently, there is no other marine laboratory of AltaSea's scale either in Los Angeles Harbor or any of the other surrounding harbors and AltaSea will provide that opportunity to SCMI and its affiliated universities dedicated to marine science research.

San Pedro was once home to a massive shipbuilding industry, a large commercial fishing fleet, and a working cannery row, historical elements which still infuse the community with its unique character and personality. At the turn of the century, though the massive increase of global trade into Southern California had brought great expansion and prominence to the Port of Los Angeles, the working-class community of San Pedro suffered a general decline. The introduction of containerization in 1950 and changes in the fishing and cannery industries resulted in disuse of many vital sections of the Port, resulting in the overall decline of the property. As a result, companies vacated the community and there was a mass exodus of jobs and a large amount of commercial and industrial space remaining empty or underutilized.

The Port of Los Angeles is located 20 miles south of downtown Los Angeles in San Pedro and is comprised of 7,500 acres, with 43 miles of waterfront, 270 berths, 85 container cranes, 16 marinas and 23 cargo terminals, including dry and liquid bulk, container, breakbulk, automobiles and omni facilities. The Port of Los Angeles is investing billions of dollars in infrastructure in an effort to meet those challenges and maintain their preeminence in the U.S. shipping industry to ensure that its customers can take advantage of three major business drivers: superior cargo terminals, rail and warehouse infrastructure and services between dock and destination. Today, San Pedro is home to the busiest cargo port in the nation, which handles over 190 million metric tons of cargo every year, serves as an economic engine for the region, and provides a significant number of jobs for local residents. As of 2013, The San Pedro Bay port complex (made up of the Port of Los Angeles and Port of Long Beach combined) was the ninth largest port in the world with 14.6 million TEUs and the busiest port in the country despite facing stiff competition from ports around the country, particularly those on the West Coast and detraction of business from the eventual widening of the Panama Canal.

The waterfront redevelopment project is a component of over \$1 billion of planned improvements at the Port, for which the Port is currently awaiting EIR/ EIS certification. Out of \$1 billion of proposed improvements, the Port has allocated \$300 million towards waterfront redevelopment. Illustrating the seriousness of its intent, the Port has already completed several components of its waterfront development project, including the Cabrillo Marina Promenade and the Cruise Ship Promenade. In addition to dramatically changing the appearance of the waterfront, the Port is also aiming to catalyze future waterfront-adjacent development by providing much-needed infrastructure, such as a continuous waterfront promenade, parking, open space, and additional harbor basins. \$1.2 billion in capital improvements will be expended during the five-year period ending in 2017. According to the County Business Patterns, in 2013, there were approximately 1,219 business establishments located in San Pedro's three zip codes, 90731, 90732, and 90733. The Port is also home to the World

Cruise Center at Berths 91-93, which has more than a dozen cruise lines throughout the year.

The San Pedro Waterfront Project envisioned a comprehensive redevelopment of the Ports O' Call site, which would contribute to the transformation of the San Pedro waterfront and adjacent downtown San Pedro into a vibrant, world-class urban visitor-serving waterfront destination. The Financial Feasibility Analysis completed in November 2014 projected that the recommended project scale was likely to maintain 850 full time equivalent jobs, \$87 million in gross sales, and 2.8 to 3.8 million annual visitors. The existing parcel was developed as Ports O' Call Village in the 1960s and features approximately 135,000 square feet of restaurant and retail buildings. The Ports O' Call site is now entitled to support up to 300,000 square feet of visitor-serving commercial uses and up to 75,000 square feet for a conference center.

## **B.2. Describe and outline the scope of work for the proposed EDA investment**

Several years ago, amidst growing global consensus that the ocean cannot continue on its current track, the Port of Los Angeles and the Annenberg Foundation leadership formed the idea of putting a world-class, academic marine research facility at a site on the San Pedro waterfront. That concept grew into the AltaSea Master Plan to create a hub for scientific, entrepreneurial and educational collaboration, coalescing around the need to re-imagine and re-engineer humankind's relationship with the ocean.

Humanity has dangerously mismanaged the ocean, which is Earth's irreplaceable habitat. The destruction of ocean resources has a profound and direct impact on humanity's ability to feed itself, to maintain its health, to manage its growing energy demands, and to enable sustainable economic progress. The endangered ocean needs a central destination for research, education, advocacy and entrepreneurial innovation, where the best minds can be convened on problems and opportunities to heal the relationship between humankind and its vast ocean habitats.

The ocean strongly influences weather patterns and the climate, and absorbs carbon dioxide. It is a critical source of food, energy and mineral wealth; and supports recreation, tourism and the transport of people, goods and food. However, the ocean is still an unexplored frontier, and the full measure of its vast resources is yet unknown. Only now are we beginning to understand its importance, search its depths and appreciate its significance. AltaSea's focus is to help reverse the long-term trends of depletion and invest in its future.

Upon its final completion, AltaSea's entire state-of-the-art Innovation Campus will consist of a Business Hub, Science Hub, Education Hub, outdoor recreational space that includes a public harbor promenade, a café, and a verdant landscape.

### **BUSINESS HUB: IGNITING ENTREPRENEURIALISM**

- Catalyze the creation of relevant new industries. AltaSea will support new and existing businesses that commercialize scientific breakthroughs and emerging technologies to create ocean-related products and services.

The Business Hub will be an ocean-inspired think tank for the brightest scientists, innovators, financiers and academics from new and existing firms to build a robust Blue Economy. The AltaSea Campus will provide space and resources for emerging and existing businesses that seek to commercialize scientific breakthroughs and emerging technologies, spurring development of advanced ocean-related products which can help create exciting and sustainable economic opportunities in the Los Angeles region. 120,000 sq. ft. The Business Hub will be flexible and able to develop and add facilities for new partnerships and growing businesses.

#### SCIENCE HUB: PIONEERING RESEARCH

- Expand science-based understanding of the ocean. AltaSea will convene and support the world's best marine scientists in an urban ocean-based research facility that develops creative and cross-disciplinary solutions.

At AltaSea, the best minds in marine science will be able to access the vastness of the ocean to develop creative and cross-disciplinary solutions to crucial ocean sustainability issues like sea level rises, fisheries management, wind/wave/algae energy, biotech opportunities, and water and air pollution. Flexible and expandable research, analysis and teaching laboratories located directly on the harbor will provide immediate water access for marine science programs. While scientists at AltaSea are already researching major ocean issues, this new de-siloed collaboration at the Science Hub will further catalyze discoveries and advanced solutions. AltaSea will combine forces with 13 universities and more than 70 scientists working in partnership with the SCMI from diverse disciplines who will work together to solve the many issues affecting the ocean: Ocean Acidification, Pollution, Marine Plastics, Climate Change & Sea Level Rise, Ocean Exploration, Robotics, Remote Sensing, Food Security, Overfishing, Loss of Key Species, Coastal Resources and Habitat Loss.

As the preeminent partner at the Science Hub, SCMI will bring a comprehensive program of commercial and academic interests that will work in concert to deliver AltaSea's vision of a world-class urban marine research and innovation center.

#### EDUCATION HUB: ENLIGHTENING LERNERS

- Pioneer cutting-edge education and communications programs. AltaSea will ignite engagement and excitement in audiences of all ages and backgrounds with programs that communicate about the ocean and its importance.

AltaSea's education and iconic interpretive center will become a major Los Angeles destination for students and visitors of all ages; where all can learn how the ocean is integral to the well-being of humankind and the health of the planet, and what scientific and business leaders at AltaSea are doing to restore its vibrancy. The Education Hub will feature an auditorium and classrooms for education and community programming,

An EDA investment award would fund the installation of a portion of the structural support required for City Dock No. 1, new subsurface utilities, accessible hardscape, restrooms and signage infrastructure. The

improvements will be installed in the right-of-way on Signal Street abutting the concrete buffer surrounding the companion project which will comprise the planned 120,000 sq. ft. Phase 1a Business Hub facilities in Berths 58 and 59 and storage space in Berth 60. The investment would essentially modernize the obsolescent infrastructure at City Dock No. 1 and make it possible for beneficiary Business Hub entrepreneurs to sufficiently access the public utilities required for code compliant and specialized marine technology operations. Specific construction elements will include:

- Demolition of railroad tracks, existing concrete and grub earthwork.
- City Dock No. 1 Foundation structural reinforcement with the additional of 20 timber fendering piles and 42 concrete structural piles.
- Modular Restroom facility installation including ramps and landings for each Berth.
- Water and Sewer line upgrade and expansion to serve the Berths and restroom modular units.
- Power and Communication Line rough electrical and conduit installation to bring power and communication capacity to Business Hub and restroom facilities.
- Hardscape, Ramps and Stair concrete work to create steps and ADA access ramps with steel handrails for each Berth.
- Asphalt Paving with striping and signage for 83 parking spaces and 186 bicycle slots.
- Perforated Steel Signage Panels for external information and directional signs with branding screens and painted graphics for each Berth.

AltaSea seeks revolutionary approaches to ocean-related sustainability issues by bringing together the best minds in science, business and education to generate innovative solutions to the global challenges of sustainability. AltaSea will leverage the EDA investment to activate the functional capacity of the Business Hub companion facilities to provide flexible space and create a network of collaborations and resources for emerging and existing marine related entrepreneurial ventures that seek to commercialize scientific breakthroughs and emerging technologies. The Business Hub will spur development of advanced ocean-related products which will create new high wage jobs and sustainable economic opportunities. The structural reinforcement of the dock will enable Business Hub ventures to safely house specialized equipment such as water tanks and light assembly machines as well as take advantage of direct access to a 30-foot deep channel that connects to the Port of Los Angeles and the ocean beyond. Additionally, the new infrastructure improvements will enable collaborative efforts to be hosted in the companion Business Hub through state-of-the-art technologies:

- Live streamed round table forums with public agencies engaged in energy, water management, waste management and environmental mitigation issues as well as business development in sectors such as aquaculture, renewable energy, fishery and tourism.
- Live streamed and interactive workshops and presentations discussing marine industry research, ocean management plans, best practice business models, venture capital investor strategies and commercialization efforts.
- Searchable and interactive branding and marketing publications and status reports highlighting AltaSea based business ventures and aligned ocean management goals.

- Online case managed facilitation of legal and marketing technical assistance for each Business Hub entrepreneur in partnership with agencies such as PortTechLA and the Los Angeles Chamber of Commerce
- Online applications for venture capital matching with technology, science and marine investment firms such as Tylt Ventures, Avalon Ventures, DAG Ventures, NEA Enterprise Associates, Science Inc. as well as SCMI partner university based accelerators such as the UCLA Summer Accelerator Program and the USC Viterbi Startup Garage.
- Staging of big screen and virtual public access science presentations and educational forums for K-12 district and charter public schools

The timeline for the start and completion of the proposed project is as follows:

- CEQA - Approved 10/18/12
- Lease Execution with Port of Los Angeles Harbor Commission - Completed in 12/13
- AltaSea Masterplan - Completed 6/14
- Design Development and Construction Plans - 12/14 to 8/15
- Plan Check and Permitting - 8/15 to 5/16
- SHPO - 3/16 to 5/16
- Construction Bid Process - 6/16 to 8/16
- Contract Negotiation and Mobilization - 9/16
- Construction Duration - 10/16 - 9/17
- Punch List and Final Inspections - 8/17 to 12/17
- Notice of Completion - 12/17

The companion Business Hub project will be constructed as a separate project scheduled to be ready for occupancy by the beneficiaries in January 2018.

### B.3. Economic development needs

B.3.a. Does the region in which the project will be located have a Comprehensive Economic Development Strategy (CEDS)?

Yes If Yes, what is the source?

Community Development Commission of the County of Los Angeles, 2013-2018

No If No, then please check one:

B.3.a.i. An alternate strategic planning document that governs this investment is attached.

B.3.a.ii. This investment is to develop a "strategy grant" to develop, update or refine a CEDS.

B.3.b. Describe the economic conditions of your region and the needs that this project will address.

In January 2016, the Los Angeles County Board of Supervisors unanimously approved a motion to take action on the Strategic Plan and to begin work on the relevant strategies. Los Angeles County's second five-year (2016-2020) Strategic Plan for Economic Development - much like the first ever strategic plan (2010-2014) - represents our region's shared aspirations, objectives and execution strategies for the purpose of ensuring higher standards of living for all the residents of Los Angeles. It is this

"alternative" plan along with the County's Comprehensive Economic Development Strategy (CEDS) that lays out the economic conditions that demonstrate the beneficial aspects AltaSea's proposed project and its companion

According to the County's CEDS, the County is in need of additional high-wage job creating businesses, job retention activities, education as well as access and exposure to high tech jobs. AltaSea's business hub for innovative marine-related water and ocean-based companies will address all of these needs by creating innovative and sustainable economic opportunities.

AltaSea, a public-private partnership, will not only help diversify the jobs in the San Pedro area, it will also provide higher wage and higher skilled jobs to an area that is lacking in these opportunities. The increased new company formation activity will stimulate economic growth in the County for decades to come. Therefore, as a public-private collaboration developing an innovation cluster in an environmentally sustainable facility, AltaSea falls under many of EDA's top investment priorities.

AltaSea will facilitate an unprecedented collaboration of government agencies, educational institutions and private industry ventures working to facilitate ocean restoration efforts and to environmentally extract untapped resources that can be commercially promoted and serve to advance the economic stability of the LA County. AltaSea will create numerous opportunities for long-term high tech jobs by building a marine-based blue economy business hub with direct ocean access that will catalyze the creation of products, services in areas such as ocean robotics, algae fuels, aquaculture, and wave energy. Further, the business hub will be an ocean-inspired think tank for scientists, innovators, financiers and academics from both new and existing firms to build a robust marine economy. The project will also increase the opportunity for local residents to access living wage jobs in an area that has a per capita income level that is 49% below the national average.

Also, AltaSea's work with partner institutions such as the Southern California Marine Institute will proactively define, grow and extend the range of marine science to produce a rising volume of intellectual property in marine sciences. SCMI is already working on several groundbreaking projects that, with its proximity to AltaSea's business hub and the opportunity to commercialize these technologies. Some of the programs include:

- Developing technologies for rapid detection of water quality and harmful algal blooms along the Southern California coastline;
- Monitoring movement of large marine predators using a coast-wide acoustic telemetry network and the development of new smart tag technology;
- Working to interconnect the research emanating from the various SCMI Universities with the entrepreneurs housed at the AltaSea Campus and throughout the LA County region as well as with LA County government agencies, seeking to mitigate environmentally hazardous uses impacting our ocean; and
- Facilitation of round table discussions with public agencies engaged in

energy, water management, waste management, environmental mitigation issues as well as business development in sectors such as biotechnology, fishery and tourism.

#### **B.4. Applicant's capability**

**Briefly describe the applicant's capability to administer, implement, and maintain the project.**

The port of the future will move ideas. It will unite people and spread knowledge, launch businesses and spark new industries, create synergies and incubate innovation. It will anticipate, empower, inspire and plot a course for a bright tomorrow. The Vision for Alta is driven by a visionary Board of Trustees, committed staff and advisors with the requisite expertise to help guide the development of the AltaSea facilities and programs.

In January 2014, AltaSea convened a group of top Los Angeles business leaders, civic leaders and philanthropists to create a Board of Trustees for the oversight of the organization, construction and the capital campaign for the Campus. In June 2014, William McDonough's Master Plan and supporting budgets were adopted by AltaSea's Trustees. The project implementation will be driven by AltaSea's visionary Board of Trustees, committed staff and advisors. Board of Trustees include: Samuel Nappi, Board Chairman - Founder and Chairman of Alliance Energy Group; Camilla Townsend, Board Vice Chairman - CEO of the Max H. Gluck Foundation; and Martin H. Blank, Jr., Board Secretary - COO & Director of the The Rosalinde and Arthur Gilbert Foundation. The AltaSea Capital Campaign Ambassadors Include: Andy Cohen, Co-CEO of Gensler; Susan Gates, Founding Partner of Mind Over Media; Eric Johnson, Chairman, Jerico Development, Inc. and Chairman of Board of Directors, Crail-Johnson Foundation; and Janice Pober, Sony Pictures' Senior Vice President of Global Social Responsibility.

Day-to-day operations of AltaSea programs and the project development oversight is managed by Executive Director Jenny Krusoe along with a management team including: Sandra Whitehouse, PhD, serving on a consulting basis as the Chief Scientific Officer; Pat Means, Director of Communications and Community Engagement; Natasha Berendzen, Manager of Database and Prospects; Shawn Jensen, Manager of Government Funding and Program Partnerships; and Krista Swingle, Manager of Operations and Finance. The Board of Trustees has retained the consultancy of Gensler to serve as design architect to implement the Master Plan for the AltaSea campus; Freeman & Associates as the construction manager to handle the permitting, bidding process and construction oversight; the Los Angeles Economic Development Corporation (LAEDC) to facilitate the development of the operations plan and economic development platform; and the Kosmont Companies to develop the job creation and performance measurement strategies.

#### **B.5. List and describe the strategic partners and organizations to be engaged in this project**

AltaSea has leveraged the City Dock No 1 asset to forge partnerships, collaborations and lease opportunities which are currently be vetted and developed:

- Southern California Marine Institute: SCMI, the anchor tenant for the

Science Hub, is a strategic alliance of 13 major universities committed to providing scientific expertise and hands-on experience to scientists at all levels of academic distinction. As the preeminent partner at the Science Hub, SCMI brings a comprehensive program of commercial and academic interests that will work in concert to deliver AltaSea's vision of a world-class urban marine research and innovation center. Universities include:

- California State Universities of Channel Islands, Dominguez Hills, Fullerton, Long Beach, Los Angeles, Northridge, San Bernardino, San Marcos and Polytechnic University, Pomona

- Occidental College
- University of Southern California
- University of California, Los Angeles

- Cabrillo Marine Aquarium: The Discovery Lecture Series with Cabrillo Marine Aquarium is presented by AltaSea and the CMA, in partnership with SCMI and the California State University Counsel of Ocean Affairs, Science and Technology. In 2015, six free lectures are being offered to the public at the CMA, with an expected attendance of 1200, with topics ranging from Aquaculture to the restoration of the Native Olympia Oysters in Southern California to Harmful Algae Blooms.

- PortTech Los Angeles is an innovation and commercialization center dedicated to creating sustainable businesses for ports and the goods movement industry. They bring together entrepreneurs, strategic partners and investors to accelerate innovation, advance clean technologies and create economic opportunities. PortTech promotes and supports the development of technologies that enable enterprises to meet their environmental, energy, safety/security and transportation goals. PortTech is a 501(c)(3) non-profit organization and a cooperative effort of the City of Los Angeles, the Ports of Los Angeles and Long Beach, and Harbor Area business communities.

- Boeing Advanced Technology is a division of Boeing with 500 staff that specializes in electronic systems for the marine environment, including unmanned underwater vehicles, communications and acoustics research, primarily for the U.S. Government. Occupations at Boeing's facility in AltaSea will be heavily centered in mechanical and electrical engineering, industrial design and high tech manufacturing. As an established major international corporation, funding will be provided from government contracts. While the initial occupancy is undefined, discussions with Boeing's executives indicated that occupancy could reach upwards of 60,000 sq. ft. over next 5 to 10 years.

- Nautilus 205 vessel is operated by the Ocean Exploration Trust (OET). They have established a Memorandum of Understanding with AltaSea to promote community STEM education programs in San Pedro. The MOA is designed to develop a joint education and outreach opportunities and programs through formal and informal education mechanisms to improve ocean literacy in learners of all ages and to increase AltaSea and OET capacity through shore and at sea operations, training and education programs, career building experiences, expanded research capabilities for the future and current ocean scientists engineers and technicians.

• The Economic and Workforce Development Department (EWDD) will work with business, government and community partners to create economic growth and build sustainable communities by finding permanent employment for the people of Los Angeles through the utilization of education, services and job training. Their goal is to steer economic development in a manner that yields thriving businesses, and creates job training and career opportunities for the City of Los Angeles.

#### **B.6. Describe the investment (project) impact and fit with EDA funding priorities**

According to the County of Los Angeles CEDS, the County is in need of additional high-wage job creating businesses, job retention activities and industry specific education and job training. AltaSea will diversify job opportunities and bring higher wage and skilled labor to an area that has not been able to compete with other regions that attract technical and science industry professionals. AltaSea will also deliver strategic programs and services needed to ensure that marine sciences solutions will reach market, generate financial returns to the source institutions and lead to growth of the overall prosperity of the region through an increase in high tech and better paying jobs. The project will also increase the opportunity for local residents to access living wage jobs in an area that has a per income level that is 49% below the national average. In addition, AltaSea's partner PortTechLA is working to further expand and enhance the workforce in the County's marine economy through a STEM (Science Technology Engineering Math) career opportunities program for underserved youth.

Collaborative Regional Innovation: Infrastructure improvements funded EDA would make it possible for the companion Business Hub to provide a state-of-the-art habitat to collaborate research efforts emanating from Southern California Marine Institute with entrepreneurs and investors seeking to take ocean related technologies and blue economy ventures to market. Alongside established ocean industries such as fishery, seabed mining, oil and gas, shipping and tourism, emerging industries such as offshore renewable energy, aquaculture, deep seabed mining, marine biotechnology, solid waste assimilation and eco-tourism are bringing new opportunities, growth and greater diversity to the ocean economy. Entrepreneurs housed in the Business Hub will be required to only focus on the development or delivery of marine industry products or services that can be commercialized or expanded to new markets. As such, AltaSea will leverage market development efforts by bringing together leadership from infrastructure management agencies, ocean management agencies, local political representatives and advocacy organizations to source critical issues and develop integrated strategies to drive solutions through private ventures and investment.

Public/Private Partnerships: AltaSea's concept to build-out the Marine Technology Innovation Campus will create a new combination of a marine innovation Hub focused on growing the volume of market-ready private enterprises in Los Angeles County. AltaSea is an exemplary public private partnership that has already received a \$25 million seed grant from Annenberg and a \$57 million commitment from the Port of Los Angeles Harbor Commission to fund the structural reinforcement of City Dock No. 1. The companion Business Hub has attracted leading innovation companies that have

partnerships with federal agencies such as US Army Corp of Engineers which granted the first offshore aquaculture permit along with the CA Coastal Commission to Catalina Sea Ranch, a venture that supports the goals of the National Oceanic and Atmospheric Administration (NOAA) National Shellfish Initiative to increase commercial shellfish aquaculture while improving ecosystem health.

**Economically Distressed and Underserved Communities:** With a per capita income of only \$14,418 within a ½ mile radius of the project site and only \$18,547 in surrounding neighborhoods, local residents are clearly underserved, lacking access to living wage job opportunities and experiencing severe economic distress. Industry specific job training programs will be developed and offered in partnership with agencies such as the City of Los Angeles Economic & Workforce Development Department WorkSource Centers to enhance the skilled labor force with the capacity to work across diverse industries and technologies.

### **B.7. Identify the proposed time schedule for the project**

The AltaSea infrastructure project has advanced through the predevelopment process and the critical risk factors that can affect project implementation. Given that the required environmental clearances have been obtained and the project is now in the final stages of Plan Check, AltaSea does not foresee any potential issues that cannot be mitigated.

- CEQA - Approved 10/18/12
- Lease Execution with Port of Los Angeles Harbor Commission - Completed in 12/13
- AltaSea Masterplan - Completed 6/14
- Design Development and Construction Plans - 12/14 to 8/15
- Plan Check and Permitting - 8/15 to 6/16
- SHPO - 3/16 to 5/16
- Construction Bid Process - 6/16 to 8/16
- Contract Negotiation and Mobilization - 9/16
- Construction Duration - 10/16 - 9/17
- Punch List and Final Inspections - 8/17 to 12/17
- Notice of Completion - 12/17

### **B.8. Economic impacts of the project**

#### **B.8.a. Please describe the economic impacts of the project:**

The initial tenants that will benefit from the companion Business Hub have signed Memorandums of Understanding to lease space and are estimated to provide 115 jobs in Year 2 following construction completion. According to Kosmont's research, the companion Business Hub is expected to house 10-12 companies and generate up to 120-130 jobs by year 3. Ongoing marketing and internal growth should result in 140-150 jobs by Year 4, and 170-180 jobs by year 5, at which point the Phase 1a facility should be 85% to 90% leased with 15-20 companies.

With annual growth of 10% to 15% expected, 200-220 jobs are estimated onsite by year 6, increasing to 230-250 jobs by Year 7 and 260-280 jobs by year 8, with 90% occupancy for the entire project. Internal growth within existing businesses, net of turnover should see stabilized occupancy for

the entire 120,000 sf by Year 9, with 25-30 companies and a total of 300-320 jobs.

- Catalina Sea Ranch LLC will use its offshore aquaculture permit from the Army Corps of Engineers and the CA Coastal Commission to expand its mussel ranch from 100 to 1,000 acres in order to cultivate other sustainable filter-feeding shellfish crops. They will require 5,000 to 10,000 sf of space.
- Seatrec, Inc. patented energy harvesting technology applicable to vertically-profiling robots used for oceanographic research. Dr. Yi Chao, President & CEO of Seatrec, Inc., assembled a team at JPL to develop a system to harvest energy from ocean temperature differences that exist between warm surface water and cold water at depth. Seatrec is expected to employ 12 people by year 2.
- Blue Robotics specializes in manufacturing components for underwater remote vehicles that are used by Universities, students and hobbyists. They are expecting to lease 5,000 sf when AltaSea and initially employ 10-15 people and grow to 20-25 people within 5 years.
- PortTechLA, a non-profit founded by the San Pedro and Wilmington Chambers of Commerce, will expand its business development program to solicit and support marine-based technology companies. PortTechLA will need up to 30,000 sf over the next 5-10 years to house an estimated 15-20 start-up businesses. It will create 8 jobs in year 2.
- SpaceX is developing space vehicles to launch from Edwards AFB and carry ordinary people into near earth orbit. SpaceX expects to have up to 50 employees onsite for each vessel recovery and will require up to 20,000 sf of space.

According to a report conducted by Battelle Los Angeles, there is evidence that the existing limited access to venture capital in the County is one of several factors driving companies to locate their new or emerging bioscience or life sciences startups in Northern California or other states despite the fact that Southern California universities outpace other regions in producing advanced degree scientists and technicians. AltaSea will help fill this gap by creating a state-of-the-art facility solely dedicated to establishing strong links between universities and the industry to advance innovation development as well as collaborations to foster the commercialization of university-based research and marine technology ventures.

AltaSea has received a \$16,848,970 committed and \$8,151,030 pledged from the Annenberg Foundation and \$57 million from the Port of Los Angeles Harbor Department to structurally reinforce City Dock No. 1 which extends out over the ocean. Each of the private companies that establish lease space in the Business Hub will expend capital to build-out their tenant improvements, purchase specialized equipment and fund operating expenses. AltaSea will work to attract venture capital firms and track the annual influx of capital contributed to the beneficiary entrepreneurs as a measure of the infrastructure project's impact.

B.8.b. Please identify the total estimated jobs and private investment that is expected to be generated by this project:

Estimated Jobs Created	Estimated Jobs Retained	Estimated Private Investment
300	0	\$20,000,000.00

B.8.c. Please identify the source of Estimates above (check as many as apply):

- Letters from Beneficiaries of the Project
- Input/Output Model (e.g. IMPLAN, REMI)
- Comparison to Similar Projects
- Other Method (specify below)

**B.9. Beneficiaries of the project**

Beneficiary Name	NAICS Code	Estimated Jobs Created	Estimated Jobs Retained	Estimated Private Investment
Catalina Sea Ranch	112519	50	0	\$5,000,000.00
Blue Robotics	541990	45	0	\$4,000,000.00
Seatrec	221111	12	0	\$1,000,000.00
PortTech LA	541990	8	0	\$250,000.00
<b>Total</b>		115	0	\$10,250,000.00

**B.10. Non-EDA funding for the project**

B.10.a. Are all non-EDA funds committed to the project, available as needed, and not conditioned or encumbered in any way that would preclude their use consistent with the purpose of the project?

- Yes
- No (explain below)

B.10.b. Identify the source, nature and amount of all non-EDA funds.

Source	Amount	Date Available	Type	Restriction/Comments
Annenberg Foundation	\$5,588,000.00	12/22/2014	Cash	Unrestricted

B.10.c. Does the applicant plan to seek other federal financial assistance as part of or in connection with this project? If so, please describe the source, amount and any terms and conditions of the funding, and when the funding will be available for use by the applicant.

Yes (explain below)       No

B.10.d. Please attach documentation confirming non-EDA (matching or cost share) funding:

Annenberg Foundation [\$16,8   Add Attachment   Delete Attachment   View Attachment

### B.11. Justification for sole source procurement

Will you contract work to complete part or all of this project?

- B.11.a. No
- B.11.b. Yes      If yes, will contracts be awarded by competitive bid?
- B.11.b.i. Yes
- B.11.b.ii. No

If contracts will not be awarded by competitive bid, please provide a justification. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements.

### B.12. Equipment

Will any funds be used to purchase equipment?

- B.12.a. No
- B.12.b. Yes      If yes, will project funding be used to install the equipment?
- Yes
- No

Please attach a list, including cost, description, purpose, and estimated useful life of any equipment that will be purchased as a part of this project.

  Add Attachment   Delete Attachment   View Attachment

## C. Regional Eligibility

### C.1. Region

Define the area/region that is the basis for the applicant's claim of eligibility. EDA will review and evaluate documentation submitted by the applicant to verify and determine eligibility.

Over the past five years, the County's unemployment rate has consistently remained above the national level. This trend has continued through 2015. For period ending December 31, 2015, the unemployment rate in the County of Los Angeles was 5.8%, 1 percentage points above the national unemployment rate of 4.8%.

The population of Los Angeles County is very diverse. In 2014, the

demographic profile indicates that 49.0% of the population is Hispanic, 26.7% white non-Hispanic, 13.8% Asian-Pacific Islander, 8.3% black; and 2.2% other races. About 76% of the population has a high school diploma, while 29% holds a bachelor's degree or higher. By comparison, 81% of the state's population has a high school diploma, with 30% obtaining a bachelor's degree or higher.

The County also faces lingering challenges from the last economic downturn. At \$27,488, per capita income in the county is seven percent below the state average. At \$27,829 per capita income, residents in the City of Los Angeles as a whole are garnering slightly higher incomes than County residents. However, when you examine income estimates from the U.S. Census Bureau for the ½ mile radius surrounding the AltaSea site, \$14,418 or 51 % of the national average, and within Council District 15, \$18,547 or 66% of the national average, the incomes drop dramatically, demonstrating a high level of economic distress.

Low wages and lack of affordable housing is further exacerbated in the town of San Pedro. Although San Pedro is home to the busiest cargo port in the nation, handling over 190 million metric tons of cargo every year, the working-class community of San Pedro suffered a general decline with the expansion of other more competitive Ports around the world. The Port of Los Angeles and the communities directly adjacent to the Port including San Pedro, Wilmington, Harbor City and Watts, which comprise City of Los Angeles Council District 15 and 250,000 residents, have experienced lingering challenges from the last economic downturn, more so than the County of Los Angeles as a whole.

Furthermore, estimates from the U.S. Census Bureau show that poverty is greater in Los Angeles County than in the state or country as a whole, with more than 18 percent of individuals falling below the poverty line. The price of housing is exacerbating these challenges. In addition to the high poverty rates, Los Angeles is the least affordable rental market in the country, according to Harvard University's Joint Center for Housing Studies, and it's been ranked the second-least affordable region for middle-class people seeking to buy a home. Not only is Los Angeles the least affordable of the nation's 381 metropolitan areas, as the Harvard study showed, but half of all households in the region are considered "cost burdened," meaning that families spend at least 30% of their income on rent or mortgage payments.

## C.2. Source of data provided for regional eligibility determination

Check the box denoting what data source you used to establish eligibility:

- C.2.a. The most recent ACS data published by the U.S. Census Bureau.
- C.2.b. The most recent other federal data for the region in which the project is located (e.g., U.S. Census Bureau or the Bureaus of Economic Analysis, Labor Statistics, Indian Affairs, etc.).
- C.2.c. If no federal data are available, the most recent data available through the state government for the region in which the project is located.
- C.2.d. Other data to substantiate regional eligibility based on a "Special Need" as defined in 13 C.F.R. § 300.3.

Please attach a copy of the documentation used to support your claim of eligibility:

BLS Los Angeles Economic Su

Add Attachment

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View Attachment

### C.3. Economic Distress

Check all that apply in establishing regional eligibility (see FFO for more details):

C.3.A. Unemployment rate

C.3.B. Per capita income

C.3.C. Special need, including:

- Substantial out-migration or population loss;
- Underemployment; that is, employment of workers at less than full-time or at less skilled tasks than their training or abilities permit;
- Military base closure or realignment, defense contractor reductions-in-force, or U.S. Department of Energy defense-related funding reductions;
- Natural or other major disasters or emergencies;
- Extraordinary depletion of natural resources;
- Closing or restructuring of an industrial firm or loss of other major employer;
- Negative effects of changing trade patterns; or
- Other circumstances set forth in the applicable FFO (please explain below).

### C.4. Substantial direct benefit

If the project does not meet any of the criteria above, is it located in an Economic Development District (EDD), and will it provide substantial direct benefit to residents of an area within that EDD that does meet the distress criteria?

Yes

No

Which Economic Development District?

Please explain how the proposed project will provide a substantial direct benefit to this geographic area within the EDD.

## D. Budget and Staffing

To be completed by applicants for non-construction assistance only

### D.1. Budget justification

**D.2. Indirect costs**

**D.3. Key applicant staff**

**E. Administrative Requirements**

**E.1. Civil rights**

E.1.a. Does the applicant understand and agree to comply with all applicable civil rights requirements (see 13 C.F.R. § 302.20)?

- Yes                       No (explain below)

E.1.b. Do identified "Other Parties," businesses that will create and/or save fifteen or more jobs as a result of the EDA project, understand and agree to comply with all applicable civil rights requirements, including the requirement to provide signed assurances of compliance (ED-900B)?

- Not Applicable (No Other Parties Identified)     Yes     No (explain below)

**E.2. Lobbying certifications**

Will you be able to comply with federal requirements regarding lobbying?

- Yes                       No (explain below)

**E.3. Compliance with Executive Order 12372, State Single Point of Contact (SPOC)**

Does the state in which the project will be located have a project review process that requires submission to a Single Point of Contact (SPOC)?

E.3.a. No. Go to Question E.4

E.3.b. Yes

If Yes, does this request for EDA investment assistance meet the SPOC process established by the state?

E.3.b.i. No     E.3.b.ii. Yes

Please explain why not

If Yes, were SPOC comments/clearance received?

E.3.b.ii.a. Yes

Please attach the comments/clearance:

Add Attachment

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View Attachment

E.3.b.ii.b. No. The review period has expired and no comments were received.

E.3.b.ii.c. No. Comments have been requested but the review period has not yet expired.

Please attach evidence of your request for comments:

Add Attachment

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**E.4. Single Audit Act Requirement**

E.4.a. Does the applicant understand and agree to the requirements of subpart F of 2 C.F.R. part 200 regarding federal audits?

Yes                       No

E.4.b. Is the applicant currently audited under the Single Audit Act?

E.4.b.i. No

E.4.b.ii. Yes, If yes:

E.4.b.ii.a. What is the date of the most recent audit?

E.4.b.ii.b. Was this audit submitted to the Federal Audit Clearinghouse?

Yes                       No

## F. Requirements for Non-Governmental Applicants (Excluding Public Universities and Certain District Organizations)

As indicated below, non-governmental applicants (excluding public universities and district organizations) must also provide a copy of the following items, either using the Attachments form that is part of the application package downloaded from [www.Grants.gov](http://www.Grants.gov) or providing a hard copy.

F.1. Non-profit organizations must provide a current Certificate of Good Standing from the State in which they are incorporated.

ALTASEA AT THE PORT OF LOS

Add Attachment

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F.2. New non-profit organization applicants must provide their Articles of Incorporation and By-Laws. Non-profits with an active EDA grant must either provide a) a revised copy of their Articles of Incorporation or By-Laws if these have been amended or b) a statement certifying that there has been no change in the organization's Articles of Incorporation or By-Laws.

AltaSeaArticlesofIncorporat

Add Attachment

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F.3. Non-profit organizations must provide a resolution passed by a general purpose political subdivision of a State (e.g., local government entity) or a letter signed by an authorized representative of a local government acknowledging that the applicant is acting in cooperation with officials of the political subdivision. EDA may waive this requirement for certain projects of significant regional or national scope (see 13 CFR § 301.2(b)).

Buscaino letter and motion.

Add Attachment

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F.4. If applying for a construction or RLF investment, an applicant must afford the appropriate general purpose governmental authority a minimum of 15 days to review and comment on the proposed project (13 CFR § 302.9(a)).

Will the applicant be able to provide these comments?

Yes

Not applicable, because the applicant is not applying for a construction or RLF grant

Not applicable, because this requirement has been satisfied under an existing RLF plan

No, for another reason (explain below)

**ED-900A**

**Additional EDA Assurances  
For Construction or Non-  
Construction Investments**

**AltaSea at the  
Port of Los Angeles**



## ED-900A - Additional EDA Assurances for Construction Or Non-Construction Investments

For **ALL** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Understands that attorneys' or consultants' fees, whether direct or indirect, expended for securing or obtaining EDA investment assistance are not eligible costs. See 13 C.F.R. § 302.10(a).
2. Understands that conflicts of interest or appearances of conflicts of interest are prohibited and may jeopardize this application or result in the forfeiture of investment funds. A conflict of interest occurs, for example, where a representative, official, employee, architect, attorney, engineer, or inspector of the applicant, or a representative or official of the federal, State or local government, has a direct or indirect financial interest in the acquisition or furnishing of any materials, equipment, or services to or in connection with the project. See 13 C.F.R. § 302.17.
3. Will comply with the reporting requirements under the Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010 (GPRAMA) for measuring and reporting project performance.

For **CONSTRUCTION** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Will operate and maintain the facility in accordance with at least the minimum standards as may be required or prescribed by applicable federal, State and local agencies for the maintenance and operation of such facilities.
2. Will require the facility to be designed to comply with the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 12101 et seq.), the Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.) and the Accessibility Guidelines for Buildings and Facilities regulations, as amended (36 C.F.R. part 1191), and will be responsible for conducting inspections to insure compliance with these requirements.
3. For the two-year period beginning on the date EDA investment assistance is awarded, will refrain from employing, offering any office or employment to, or retaining for professional services any person who, on the date on which the investment assistance is awarded or within the one-year (1) period ending on that date, served as an officer, attorney, agent or employee of the Department of Commerce and occupied a position or engaged in activities that EDA determines involved discretion with respect to the award of investment assistance under PWEDA. See section 606 of PWEDA and 13 C.F.R. §302.10(b).
4. Will have no facilities under ownership, lease or supervision to be utilized in this project that are listed or under consideration for listing on EPA's List of Violating Facilities.
5. Will comply with Executive Order 12699, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction," which imposes requirements that federally-assisted facilities be designed and constructed in accordance with the most current local building codes determined by the awarding agency or by the Interagency Committee for Seismic Safety in Construction (ICSSC) and the most recent edition of the American National Standards Institute Standards A58, Minimum Design Loads for Buildings and Other Structures.

6. Will observe and comply with federal procurement rules, as set forth in 2 C.F.R. part 200, as applicable, for award of any contracts for architectural engineering, grant administration services, or construction financed with EDA investment assistance

For **NON-CONSTRUCTION** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Will comply with applicable regulations regarding indirect cost rates, if indirect costs are included in the application.
2. Will comply with the requirement that this investment assistance will not provide a proprietary benefit to a private individual, for-profit corporation, or other commercial entity.

**SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL**

Completed on submission to Grants.gov

**TITLE**

Executive Director

**APPLICANT ORGANIZATION**

AltaSea at the Port of Los Angeles

**DATE SUBMITTED**

Completed on submission to Grants.gov

**City of Los Angeles  
Harbor Department**



## ED-900A - Additional EDA Assurances for Construction Or Non-Construction Investments

For **ALL** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Understands that attorneys' or consultants' fees, whether direct or indirect, expended for securing or obtaining EDA investment assistance are not eligible costs. See 13 C.F.R. § 302.10(a).
2. Understands that conflicts of interest or appearances of conflicts of interest are prohibited and may jeopardize this application or result in the forfeiture of investment funds. A conflict of interest occurs, for example, where a representative, official, employee, architect, attorney, engineer, or inspector of the applicant, or a representative or official of the federal, State or local government, has a direct or indirect financial interest in the acquisition or furnishing of any materials, equipment, or services to or in connection with the project. See 13 C.F.R. § 302.17.
3. Will comply with the reporting requirements under the Government Performance and Results Act (GPRA) of 1993 and the GPRA Modernization Act of 2010 (GPRAMA) for measuring and reporting project performance.

For **CONSTRUCTION** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Will operate and maintain the facility in accordance with at least the minimum standards as may be required or prescribed by applicable federal, State and local agencies for the maintenance and operation of such facilities.
2. Will require the facility to be designed to comply with the Americans with Disabilities Act of 1990 (ADA) (42 U.S.C. 12101 et seq.), the Architectural Barriers Act of 1968 (42 U.S.C. 4151 et seq.) and the Accessibility Guidelines for Buildings and Facilities regulations, as amended (36 C.F.R. part 1191), and will be responsible for conducting inspections to insure compliance with these requirements.
3. For the two-year period beginning on the date EDA investment assistance is awarded, will refrain from employing, offering any office or employment to, or retaining for professional services any person who, on the date on which the investment assistance is awarded or within the one-year (1) period ending on that date, served as an officer, attorney, agent or employee of the Department of Commerce and occupied a position or engaged in activities that EDA determines involved discretion with respect to the award of investment assistance under PWEDA. See section 606 of PWEDA and 13 C.F.R. §302.10(b).
4. Will have no facilities under ownership, lease or supervision to be utilized in this project that are listed or under consideration for listing on EPA's List of Violating Facilities.
5. Will comply with Executive Order 12699, "Seismic Safety of Federal and Federally Assisted or Regulated New Building Construction," which imposes requirements that federally-assisted facilities be designed and constructed in accordance with the most current local building codes determined by the awarding agency or by the Interagency Committee for Seismic Safety in Construction (ICSSC) and the most recent edition of the American National Standards Institute Standards A58, Minimum Design Loads for Buildings and Other Structures.

6. Will observe and comply with federal procurement rules, as set forth in 2 C.F.R. part 200, as applicable, for award of any contracts for architectural engineering, grant administration services, or construction financed with EDA investment assistance

For **NON-CONSTRUCTION** investments: As a duly authorized representative of the applicant, I further certify that the applicant:

1. Will comply with applicable regulations regarding indirect cost rates, if indirect costs are included in the application.
2. Will comply with the requirement that this investment assistance will not provide a proprietary benefit to a private individual, for-profit corporation, or other commercial entity.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

TITLE

APPLICANT ORGANIZATION

DATE SUBMITTED

**ED-900B**

**Beneficiary  
Information Form**



## ED-900B – Beneficiary Information Form

### A. General Information

A.1. Proposed EDA Project Title:

proposed by Lead Applicant:

A.2. Beneficiary Organization Name:

A.3. Beneficiary Organization Address:

Street 1:

Street 2:

City:

County:

State:

Province:

Country:

Zip/Postal Code:

A.4. Please characterize the main industry/field of this beneficiary organization including the 6-digit NAICS code for the products and services produced by the organization:

### B. Estimated Impact of the EDA Investment

B.1. As indicated in the table below, as a direct result of the proposed scope of work, Blue Robotics will be able to create and/or save jobs and/or generate private investment.

Jobs Created	Jobs Saved	Private Investment
45	0	\$4,000,000.00

B.2. Please identify the basis for the estimated number of jobs that will be created or saved for your organization?

**B.3. What types of private investment are likely to be generated?**

Blue Robotics received investment from a private investor in 2015 and intends to receive further investment from this investor as well as others in 2017/2018. Tenancy at AltaSea will strengthen Blue Robotics position and allow us to have more leverage in investment negotiations.

**B.4. Please describe the timeframe associated with the jobs and private investment identified in the table above:**

We intend to move into AltaSea as soon as possible. The majority of job creation and investment will happen during our tenancy at AltaSea. These current projections are for now until 2019. Achieving the this job creation rate would be difficult without the expansion opportunities made available by AltaSea.

**B.5. Are there other ways that this project will benefit your business or organization?**

The development of AltaSea will produce an incredible community of businesses, researchers, and academics focused on the ocean. Being part of this community will allow us to form productive collaborations with others and allow us to work closely with faculty and students from many California schools in mutually beneficial ways. We are excited to be a future tenant and encourage any and all investments made toward the future of AltaSea!

**C. Provision of Data on the EDA Investment**

The Economic Development Administration (EDA) tracks job and private investment resulting from its awards. If this application results in an award, each beneficiary must provide to the successful recipient job and private investment results up to 9 years after the EDA grant award in order to assist the grantee with fulfilling these reporting requirements.

Check box to indicate that your company intends to provide the recipient with information on jobs and private investment generated as a result of the EDA project.

Signature of authorized representative for the beneficiary organization

Date

*Rustom Jehangir*

4/1/2016

Name and title of beneficiary organization authorized representative

Name

Title

Rustom Jehangir

President

## D. Assurances by Beneficiary that is an "Other Party"

An authorized or corporate representative of any beneficiary that is considered an "Other Party" as defined below, must also sign to show that the beneficiary intends to comply with the U.S. Department of Commerce (DOC) and EDA regulations described below.

As defined at 13 C.F.R. § 302.20(b)(1), an "Other Party" is an entity that intends to create or save **15 or more permanent jobs** as a result of this EDA-supported project and is specifically named in the application as benefiting from the project or will be located in a building; port; facility; or industrial, commercial, or business park constructed or improved in whole or in part with EDA investment assistance prior to EDA's final disbursement of funds.

By submitting these assurances, the Other Party will comply with the following requirements:

- Section 601 of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and the DOC's implementing regulations at 15 C.F.R. part 8, which proscribe discrimination on the basis of race, color, or national origin.
- 42 U.S.C. 3123, 42 U.S.C. 6709, and the DOC's regulations at 15 C.F.R. part 8a, which proscribe discrimination on the basis of sex.
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the DOC's implementing regulations at 15 C.F.R. part 8b, which proscribe discrimination on the basis of disabilities.
- The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.), and the DOC's implementing regulations at 15 C.F.R. part 20, which proscribe discrimination on the basis of age.

Signature of authorized representative for the beneficiary ("Other Party") entity

Date

\_\_\_\_\_  
Name and title of beneficiary organization authorized representative

Name

Rustom Jehangir

Title

President

# Instructions for the ED-900B – Beneficiary Information Form

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This form must be completed as provided by EDA's policies and at a minimum by an authorized or corporate representative of the identified beneficiary organization whose position reflects the authority required to make these assurances (such as the authority to hire employees). Legal authorization for a corporate official may be specified in the Corporation's or LLC's formation documentation, bylaws, or similar document and under the laws governing the Virgin Islands, American Samoa, Guam and the Commonwealth of the Northern Marianas Islands. In the case of an individual executing this form as a sole proprietor or private owner, the sole proprietor's or owner's role and position must be indicated. For other circumstances, please contact your Regional Office.

## A. General Information

1. Enter the title of the proposed EDA project and the lead applicant.
2. Enter the name of the organization that is a "committed beneficiary" in the application for EDA assistance. Note that a separate form must be completed by each identified "committed beneficiary."
3. Enter the address of the organization in #2.
4. Please characterize the main industry/field for the beneficiary organization. A searchable list of North American industries is available at <http://www.census.gov/eos/www/naics/>.

## B. Estimated Impact of the EDA Investment

This section should be completed by each beneficiary of the proposed project that has been identified as "committed" by the EDA applicant.

For the purposes of completing the table in this section

- Jobs created means that as a direct result of this project, these jobs will be generated.
- Jobs saved means that without this project, the jobs listed here would be lost.

Only long-term, full-time direct jobs should be listed in the table. Part-time jobs should be converted to full-time equivalents (sum the total part-time hours worked per week and divide by the hourly work week for full-time employees, normally 35-40 hours).

- Private Investment means the total private sector capital investment made because of the EDA investment, including investments in new plant and equipment. Do not report private sector contributions to project construction or loan fund capitalization reported above in this section.

## C. Provision of Data on the EDA Investment

This section should be completed by each beneficiary of the proposed project that has been identified as "committed" by the EDA applicant.

## D. Assurances by Beneficiary that is an "Other Party"

Any beneficiary that meets the definition of "Other Party" that will create or save 15 or more permanent jobs as a result of the EDA investment, must have an authorized representative for the beneficiary "Other Party" organization complete Section D.



## ED-900B – Beneficiary Information Form

### A. General Information

A.1. Proposed EDA Project Title:

proposed by Lead Applicant:

A.2. Beneficiary Organization Name:

#### A.3. Beneficiary Organization Address:

Street 1:

Street 2:

City:

County:

State:

Province:

Country:

Zip/Postal Code:

A.4. Please characterize the main industry/field of this beneficiary organization including the 6-digit NAICS code for the products and services produced by the organization:

### B. Estimated Impact of the EDA Investment

B.1. As indicated in the table below, as a direct result of the proposed scope of work, Catalina Sea Ranch will be able to create and/or save jobs and/or generate private investment.

Jobs Created	Jobs Saved	Private Investment
50	0	\$5,000,000.00

B.2. Please identify the basis for the estimated number of jobs that will be created or saved for your organization?

exponentially scale the revenue and number of jobs.

CSR was awarded two Small Business Innovative Research (SBIR) contracts and has another \$7 million research proposals in the pipeline. Executing on awarded R&D contracts will require professionals producing highly-paid jobs.

CSR is planning to develop a hatchery at AltaSea that will create jobs to support its offshore aquaculture facility and restoring endangered marine species.

The technologies for CSR's awarded SBIR contracts for selective breeding and cryopreservation of mussels have the potential to be expanded to additional marine aquaculture crops. A "Marine Genomic Institute" would also generate high-paying jobs.

**B.3. What types of private investment are likely to be generated?**

CSR has raised \$2,855,000 in private sector capital and another \$678,000 in contracts. CEO Phil Cruver is a capital formation entrepreneur who has raised private investment for six start-ups. Board of Directors include John Molina, CFO of Fortune 500 Molina Heath Care, and Roger O'Brien, CEO of Santa Monica Seafood, largest seafood distributor in Southern California.

**B.4. Please describe the timeframe associated with the jobs and private investment identified in the table above:**

A minimum of \$5 million in private sector capital and R&D contracts is reasonable within five years.

**B.5. Are there other ways that this project will benefit your business or organization?**

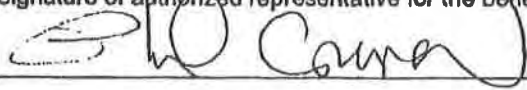
The emerging offshore aquaculture industry will require AltaSea providing the infrastructure and resources for attracting investment capital for Southern California achieving a leadership role in this global \$200 billion market. CSR will leverage its "First Tenant Advantage" to capitalize on this opportunity.

## C. Provision of Data on the EDA Investment

The Economic Development Administration (EDA) tracks job and private investment resulting from its awards. If this application results in an award, each beneficiary must provide to the successful recipient job and private investment results up to 9 years after the EDA grant award in order to assist the grantee with fulfilling these reporting requirements.

- Check box to indicate that your company intends to provide the recipient with information on jobs and private investment generated as a result of the EDA project.

Signature of authorized representative for the beneficiary organization



Date

3/31/2016

Name and title of beneficiary organization authorized representative

Name

Phil Cruver

Title

CEO

## D. Assurances by Beneficiary that is an "Other Party"

An authorized or corporate representative of any beneficiary that is considered an "Other Party" as defined below, must also sign to show that the beneficiary intends to comply with the U.S. Department of Commerce (DOC) and EDA regulations described below.

As defined at 13 C.F.R. § 302.20(b)(1), an "Other Party" is an entity that intends to create or save **15 or more permanent jobs** as a result of this EDA-supported project and is specifically named in the application as benefiting from the project or will be located in a building; port; facility; or industrial, commercial, or business park constructed or improved in whole or in part with EDA investment assistance prior to EDA's final disbursement of funds.

By submitting these assurances, the Other Party will comply with the following requirements:

- Section 601 of Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and the DOC's implementing regulations at 15 C.F.R. part 8, which proscribe discrimination on the basis of race, color, or national origin.
- 42 U.S.C. 3123, 42 U.S.C. 6709, and the DOC's regulations at 15 C.F.R. part 8a, which proscribe discrimination on the basis of sex.
- Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the DOC's implementing regulations at 15 C.F.R. part 8b, which proscribe discrimination on the basis of disabilities.
- The Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.), and the DOC's implementing regulations at 15 C.F.R. part 20, which proscribe discrimination on the basis of age.

Signature of authorized representative for the beneficiary ("Other Party") entity

Date

\_\_\_\_\_

Name and title of beneficiary organization authorized representative

Name

Title

# Instructions for the ED-900B – Beneficiary Information Form

---

This form must be completed as provided by EDA's policies and at a minimum by an authorized or corporate representative of the identified beneficiary organization whose position reflects the authority required to make these assurances (such as the authority to hire employees). Legal authorization for a corporate official may be specified in the Corporation's or LLC's formation documentation, bylaws, or similar document and under the laws governing the Virgin Islands, American Samoa, Guam and the Commonwealth of the Northern Marianas Islands. In the case of an individual executing this form as a sole proprietor or private owner, the sole proprietor's or owner's role and position must be indicated. For other circumstances, please contact your Regional Office.

## A. General Information

1. Enter the title of the proposed EDA project and the lead applicant.
2. Enter the name of the organization that is a "committed beneficiary" in the application for EDA assistance. Note that a separate form must be completed by each identified "committed beneficiary."
3. Enter the address of the organization in #2.
4. Please characterize the main industry/field for the beneficiary organization. A searchable list of North American industries is available at <http://www.census.gov/eos/www/naics/>.

## B. Estimated Impact of the EDA Investment

This section should be completed by each beneficiary of the proposed project that has been identified as "committed" by the EDA applicant.

For the purposes of completing the table in this section

- Jobs created means that as a direct result of this project, these jobs will be generated.
- Jobs saved means that without this project, the jobs listed here would be lost.

Only long-term, full-time direct jobs should be listed in the table. Part-time jobs should be converted to full-time equivalents (sum the total part-time hours worked per week and divide by the hourly work week for full-time employees, normally 35-40 hours).

- Private Investment means the total private sector capital investment made because of the EDA investment, including investments in new plant and equipment. Do not report private sector contributions to project construction or loan fund capitalization reported above in this section.

## C. Provision of Data on the EDA Investment

This section should be completed by each beneficiary of the proposed project that has been identified as "committed" by the EDA applicant.

## D. Assurances by Beneficiary that is an "Other Party"

Any beneficiary that meets the definition of "Other Party" that will create or save 15 or more permanent jobs as a result of the EDA investment, must have an authorized representative for the beneficiary "Other Party" organization complete Section D.

30 March 2016

AltaSea  
At The Port of Los Angeles  
222 West 6<sup>th</sup> Street, Suite 1010  
San Pedro, CA 90731

Attention: Jenny Krusoe,  
Executive Director  
AltaSea

Subject: Project Support

Reference: Preliminary discussion at Boeing on 28 March 2016

Dear Mrs. Krusoe,

The Boeing Company would like to extend our support of the AltaSea project to revitalize and develop City Dock No. 1 at the Port of Los Angeles. Boeing has over 50 years of experience in ocean and undersea activities and is excited to explore the numerous opportunities that this project and a long term relationship with AltaSea will provide.

As previously discussed, Boeing is proceeding with a strong sense of urgency to formally document our proposed relationship in the form of a Memorandum of Understanding (MOU).

Boeing fully supports AltaSea's vision for this location and remains eager to discuss how together we might turn that vision into a reality that benefits science, academia and the surrounding community.



Sincerely,  
Lance Towers

Director  
Phantom Works-Sea & Land Division  
E&IS-Advanced Technology Programs  
Boeing Defense, Space & Security



**ED-900C**

**EDA Application Supplement  
for Construction Programs**



## ED-900C – EDA Application Supplement for Construction Programs

### A. Metropolitan Area Review

A.1. Projects involving the development of hospitals, airports, libraries, water supply and distribution facilities, sewage and waste treatment works, highways, transportation facilities, water development, or land conservation within a metropolitan statistical area (MSA) require comments from the metropolitan area clearinghouse/agency. Does the proposed project involve any of the above identified developments within an MSA?

Yes       No

A.2. If Yes, please attach either:

- Comments from the responsible metropolitan area clearinghouse/agency and a statement that such comments have been considered; or
- An explanation as to why comments are not available; or
- A statement indicating the date the application was made available to the appropriate metropolitan area clearinghouse/agency and units of general local government for review and certifying that the application has been before the metropolitan area clearinghouse/agency for a period of 60 days without comments or recommendations.

Add Attachment

Delete Attachment

View Attachment

### B. District Organization Project Administration

B.1. Will the District Organization for the region in which the project will be located administer the project for the applicant?

Yes       No

B.2. If Yes, you must certify to all of the following and indicate your certification by checking each box:

- The administration of the project is beyond the capacity of the applicant's current staff and would require hiring additional staff or contracting for such services;
- No local organization/business exists that could administer the project in a more efficient or cost-effective manner than the District Organization; and
- The District Organization will administer the project without subcontracting the work.

B.3. If the project will be administered by the District Organization and you did not certify to all of the above, explain below

## C. Preliminary Engineering Report

To be considered for assistance, all construction and design applications must include a **Preliminary Engineering Report (PER)** that at a minimum provides the following information:

- C.1. Description of project components. Provide a general description of all project components involved in the project. Indicate whether the project involves the construction of new infrastructure or facilities or the renovation or replacement of existing ones. Describe each of the project components in terms of dimensions, quantities, capacities, square footage, etc.
- C.2. A statement verifying that the project components described in the engineering report are consistent with the EDA investment project description that is provided in Section B.2 of Form ED-900. Engineering reports that describe project components that are inconsistent with the EDA investment project description in Section B.2 of Form ED-900 will not be considered valid.
- C.3. Drawings showing the general layout and location of the existing site conditions and of the project components as well as location of any project beneficiary identified in Section B.9 of Form ED-900 that provide economic justification for the project, if any. Rough dimensions and quantities for major project components should be shown and labeled on the drawings. Drawings should clearly identify the project components that are being proposed. Applicants are encouraged to clarify such drawings, for example, through color coding, labeling, and other appropriate methods.
- C.4. A feasibility analysis for the constructability of the project. Include a review of the existing conditions and note particular features, alignments, and circumstances affecting construction of project components.
- C.5. The proposed method of construction. Indicate whether construction procurement will be done through competitive bid or other method. Indicate if any portion of the project is to be done by design/build, construction management at risk, the applicant's own forces, or a third-party construction manager. If an alternate construction procurement method (other than traditional design/bid/build with sealed competitive bid process) is proposed, a construction services procurement plan must be provided to EDA for approval in accordance with EDA's regulation at 13 C.F.R. § 305.6(a).
- C.6. The number of construction contracts anticipated. If multiple contracts are proposed, describe the project components included in each contract. If separate contracts are anticipated for demolition or site work, the budget information cost classification should reflect the estimated costs for these components. If project phasing is proposed, a project phasing request must be provided to EDA for approval per EDA's regulation at 13 C.F.R. § 305.9(a).
- C.7. A current detailed construction cost estimate for each of the project components. Show quantities, unit prices, and total costs and provide a basis for the determination of construction contingencies. The total of this estimate should match the construction line item of the SF-424C.
- C.8. Real property acquisition. If the budget includes costs for acquisition of real property, include a current fair market value appraisal completed by a certified appraiser for the property to be purchased.

- C.9. A list of all permits required for the proposed project and their current status. Identify all permits required; include the timeline to obtain the permits and discuss how the permitting relates to the overall project schedule. If the project crosses a railroad right-of-way or is within a railroad right-of-way, explain any permitting or approvals that may be required from the railroad or other authority and the timeframe for obtaining these permits or approvals.
- C.10. An overall estimated project schedule. This schedule should agree with the project schedule outlined in the ED-900. Include the number of months for each of the following:
- i. design period;
  - ii. period of time to obtain required permits;
  - iii. period of time to obtain any required easements or rights-of-way;
  - iv. solicitation of bids and awarding of contracts, and
  - v. construction period.
- C.11. Overall project budget breakdown. For each "cost classifications" line item that the applicant indicates will be included in the project budget on Form SF-424C, the applicant must provide a breakdown of the proposed project costs and tasks that is consistent with the detailed construction cost estimate for the project provided in the PER.

C.11.pdf

**D. Title Requirements**

- D.1. Does the applicant currently hold title to all project facilities, underlying land, necessary easements, and rights-of-way required for the project?
- Yes (go to question D.2)       No (explain below)

D.1.a. If No, does the applicant plan to obtain title?

- D.1.a.i. Yes

How and when will the applicant obtain title? (After answering, go to question D.2)

- D.1.a.ii. No

Please explain why not

AltaSea has a 50 year lease until 2063.

D.1.b. If you indicated that the applicant does not currently have title and does not intend to obtain title, does the applicant hold a long-term lease or hold interest in project property for a period not less than the estimated useful life of the project?

D.1.b.i. Yes. Go to question D.2

D.1.b.ii. No. Please explain below how the applicant will satisfy EDA's title regulation at 13 C.F.R. § 314.7.

D.2. Will the applicant provide EDA a security interest and/or covenant of use in the real property or significant items of tangible personal property acquired or improved with EDA investment assistance? See 13 C.F.R. § 314.9.

Yes  No (explain below)

No, the land is owned by the Port of Los Angeles Harbor Commission. AltaSea does not have rights to encumber the land. The leasehold consists of 24.12 acres of land, wharf and warehouses including Berths 56 through 60 and 70 and 71 and 11.5 acres of space over water, for a total leaseable area of 35.62 acres in the San Pedro Waterfront on City Dock No. 1. Parking is allocated to the project, but is not part of leasehold. The proposed project site is bounded by the East Channel to the west, the Main Channel to the east, 22nd Street to the north and the open water of the San Pedro Bay to the south. Local access to the site is provided through 22nd Street and Sampson Way.

D.3. Will real property or project facilities to be acquired or improved with EDA investment assistance, including any industrial or commercial park acreage, be mortgaged or used to collateralize any type of financing, including but not limited to bonds or tax credits, or is any real property to be used for the project currently mortgaged or being used as collateral?

Yes (explain below)  No

D.4. Describe any required State permits, easements, rights-of-way or leases necessary to construct, operate, and maintain the project.

AltaSea's 50 year lease provides the required permission from the Port of Los Angeles Harbor Commission to construct the project.

D.5. Describe any liens, mortgages, other encumbrances, reservations, reversionary interests or other restrictions on the applicant's interest in the property.

None

D.6. Is the project located on a military or Department of Energy installation that is closed or scheduled for closure or realignment?

Yes                       No

D.7. Does the project involve construction within a railroad's right-of-way or over a railroad crossing?

Yes (explain below)     No

D.8. Does the project include construction of a highway owned by a State or local government (other than the applicant)?

Yes (explain below)     No

The work will be constructed on Signal Street which is owned by the City of Los Angeles Harbor Department.

**E. Sale or Lease**

E.1. Does the applicant intend to sell, lease, transfer, dedicate or otherwise convey any interest in the project facilities, underlying land, or any land improved with EDA investment assistance?

Yes (explain below)     No

E.2. Is the purpose of the project to construct facilities to serve an industrial or commercial park or sites owned by the applicant for sale or lease to private parties?

No  Yes

Identify the owners of the acreage, provide an estimate of the number of acres benefiting from the proposed investment and explain how EDA's requirements will continue to be met after any sale or lease.

Note: Applicants may be asked to provide documentation that EDA's requirements will continue to be met after the sale or lease of project property.

E.3. Is the purpose of the project to construct facilities to serve a privately owned industrial or commercial park or sites for sale or lease?

No  Yes

If Yes, identify the owners of the acreage, estimate the number of acres benefiting from the proposed investment, and explain below how EDA's requirements will continue to be met after the sale or lease. Note that certain EDA requirements attached to the property will survive any sale or transfer of the property. In addition, EDA may require evidence that the private party has title to the park or site prior to such sale or lease and condition the award of investment assistance upon assurances given by the private party that EDA determines are necessary to ensure consistency with the project purpose. See 13 C.F.R. § 314.3(c) and § 314.7.

E.4. For privately owned land improved by the proposed project, is the private owner willing to enter into an agreement to limit the sale price of the improved land to its fair market value before the improvements for a reasonable period of time?

Yes (explain below)  No/Not applicable (no private owners)

E.5. Is the purpose of the project to construct, renovate or purchase a building?

Yes (explain below)  No

E.5.a. Will the building be leased in whole or in part?

Yes (explain below)  No

E.5.b. Is the purpose of the building to provide incubator space to new companies?

Yes (explain below)  No

E.5.c. Will there be limitations on the length of the lease term?

Yes (explain below)  No

E.5.d. Is the purpose of the project to provide building space to a single user or multiple users?

Yes  No

E.5.e. Explain below the terms of any proposed lease.

## F. State Historic Preservation Requirements

Have comments from the appropriate State Historic Preservation Officer (SHPO) already been received?

Yes (attach comments)  No

Add Attachment

Delete Attachment

View Attachment

Note: If comments have not already been received, the applicant will be required to submit materials to SHPO. Regardless of whether the applicant believes historic or archaeological artifacts are present, the applicant will be required work with its SHPO. Specific requirements for states' SHPOs can generally be found on their websites. Applicants can also request additional information from EDA Regional Offices.

Please note that the SHPO clearance process can be lengthy. When submitting this material to the SHPO, the applicant must request that the SHPO submit comments on the proposed project to the EDA Regional Office processing the application.

## G. National Environmental Policy Act (NEPA) Requirements

G.1. Please attach an environmental narrative and applicant certification clause using the template found on [www.eda.gov](http://www.eda.gov).

AltaSea-PWEAA-Environmental

Add Attachment

Delete Attachment

View Attachment

Federal agencies are required by law to assess the expected environmental impacts associated with proposed federal actions. Depending on its analysis of information submitted by the applicant, EDA may request additional information to better understand the current environmental conditions and the project elements that will affect the environment.

Comprehensive information is required to complete an environmental review in accordance with NEPA. Information must be provided for the:

- (i) site where the proposed project facilities will be constructed and the surrounding areas affected by its operation; and
- (ii) areas to be affected by any primary beneficiaries of the project.
- (iii) The information submitted must be sufficient to evaluate all reasonable alternatives to the proposed project and the direct and indirect environmental impacts of the project, as well as the cumulative impacts on the environment as defined in the regulations for implementing the procedural provisions of NEPA. See 40 C.F.R. parts 1500-1508.

The level of detail should be commensurate with the complexity and size of the project and the magnitude of the expected impact. Previously completed environmental impact documentation (assessments, impact statements, etc.) for activities in the region in which the proposed project will be located may be used as documentation.

**H. Business Incubators and Accelerators**

Does the applicant intend to construct or renovate a business incubator, accelerator, commercialization center, or similar project?

No  Yes

Please attach a feasibility study demonstrating the need for the Project and an operational plan based on industry best practices demonstrating the Eligible Applicant's plan for ongoing successful operations. See the applicable FFO for additional information and guidance.

Add Attachment

Delete Attachment

View Attachment

## AltaSea at the Port of Los Angles

### C. Preliminary Engineering Report

To be considered for assistance, all construction and design applications must include a **Preliminary Engineering Report (PER)** that at a minimum provides the following information:

C.1. Description of project components. Provide a general description of all project components involved in the project. Indicate whether the project involves the construction of new infrastructure or facilities or the renovation or replacement of existing ones. Describe each of the project components in terms of dimensions, quantities, capacities, square footage, etc.

This AltaSea EDA project includes installation of new infrastructure improvements that will facilitate the operation of the companion Business Hub facilities on City Dock No. 1 in Berths 58, 59, and 60 on the AltaSea campus. Work for this project will be installed in the right-of-way on Signal Street abutting the buffer surrounding the Berths comprising the Business Hub. Specific construction elements will include:

- **Demolition:** Demolition of the 1,140 feet of existing railroad tracks. Saw cut and remove 6,225 square feet of asphalt under ADA ramps and entry ramp, stair, and electrical enclosure. Saw Cut 936 square feet for sewer / electrical utility trenches. Remove 4,284 SF of asphalt ramping from loading dock. Demolish 1,554 SF of AC paving. Demolition of 7,673 square feet of existing concrete wharf structure.
- **Earthwork:** Clear and grub 692 cubic yards of soil. Export 151 cubic yards of soil
- **Structural dock reinforcements:** Furnish and drive 42 concrete piles 35 feet below mudline. Pour approximately 455 cubic yards of concrete to create pilecap, concrete beams, and concrete slab. Install 120 feet of curb. Furnish and Install 20 new wrapped timber fender piles and fender pile connection hardware to pier.
- **Sewer:** Approximately 306 linear feet of sewer line to the buildings and restroom modular units.
- **Power and Communication Lines:** Trench and lay 48 linear feet of new electrical conduit and 30 linear feet of secondary electrical conduit, and 518 linear feet of primary electrical line from Signal Street. Install 3 1200 Amp above grade electrical transformers.
- **Hardscape, Ramps and Stairs:** Patch 936 square feet of asphalt concrete at utility trenching. 13,810 square feet of 2.0" mill and overlay at ramps & stairs. 3,258 square feet of concrete infill for ADA Ramps. 558 square feet of concrete for equipment pad for transformer/ gear. 3 concrete equipment pads for heat pumps (Core Only). 1,463 square feet of concrete for precast stairs at main entry stair. 8 ADA ramp foundations. 30 bollard foundations. 1,554 square feet of AC Paving. Rebar for all concrete work. 3,102 square feet of wood timber treads at entry stairs. Approximately 8,136 square feet of gravel under main entry stairs and transformer enclosure. 54 equipment enclosure post foundations (Caissons)

- **Structural Steel:** Approximately 72.5 tons (14.5 tons waste) of structural steel for horizontal entry stair and ramp framing, spine, cross beams, and cross braces, and for steel framing for custom perforated panels at the entry stair/ramp and at the equipment enclosures. Approximately 7,300 square feet of standard corrugated metal panels and custom expanded metal panels at entry stair/ramp and at electrical enclosure. 1,500 linear feet of stainless steel guardrail frame and rails at loading dock. 6 ADA ramp steel frames. 906 feet of handrail at ADA ramps. 327 bent plates.
- **Mooring Piles:** Installation of 20 timber fendering piles and 42 concrete structural piles.
- **Painting:** Approximately 7,362 feet of painting on metal panels and posts, and painting on 15 doors.
- **Parking:** Striping, signage, and equipment for 89 vehicle parking spaces, 180 long term bicycle spaces.
- **Restrooms:** 3 external modular restroom facilities including ramp/landing, one for each berth. Each modular unit contains 6 toilets in the Women's restroom and 2 toilets and 4 urinals in the Men's restroom.
- **Fencing:** 10,800 square feet of graphics on protection fence
- **Signage:** 3 perforated steel panel signs identifying Berth numbers. 3 external information and directional signs, one for each berth. Branding screens with painted graphics at each entrance.

C.2. A statement verifying that the project components described in the engineering report are consistent with the EDA investment project description that is provided in Section B.2 of Form ED-900. Engineering reports that describe project components that are inconsistent with the EDA investment project description in Section B.2 of Form ED-900 will not be considered valid.

All project components described in this engineering report are consistent with the EDA investment project description that is provided in Section B.2 of Form ED-900.

C.3. Drawings showing the general layout and location of the existing site conditions and of the project components as well as location of any project beneficiary identified in Section B.9 of Form ED-900 that provide economic justification for the project, if any. Rough dimensions and quantities for major project components should be shown and labeled on the drawings. Drawings should clearly identify the project components that are being proposed. Applicants are encouraged to clarify such drawings, for example, through color coding, labeling, and other appropriate methods.

See Attached

C.4. A feasibility analysis for the constructability of the project. Include a review of the existing conditions and note particular features, alignments, and circumstances affecting construction of project components.

See attached.

C.5. The proposed method of construction. Indicate whether construction procurement will be done through competitive bid or other method. Indicate if any portion of the project is to be done by design/build, construction management at risk, the applicant's own forces, or a third-party construction manager. If an alternate construction procurement method (other than traditional design/bid/build with sealed competitive bid process) is proposed, a construction services procurement plan must be provided to EDA for approval in accordance with EDA's regulation at 13 C.F.R. § 305.6(a).

The construction procurement method is design/bid/build. AltaSea will retain the services of a construction manager to facilitate an affirmatively marketed construction bid process and ensure that the selected general contractor complies with subcontracting, wage and employment requirements. Construction contracts will be guaranteed maximum price.

C.6. The number of construction contracts anticipated. If multiple contracts are proposed, describe the project components included in each contract. If separate contracts are anticipated for demolition or site work, the budget information cost classification should reflect the estimated costs for these components. If project phasing is proposed, a project phasing request must be provided to EDA for approval per EDA's regulation at 13 C.F.R. § 305.9(a).

There will be two general construction contracts that will be competitively bid, one contract for the infrastructure work and one contract for the wharf construction.

The infrastructure construction will include the following components:

- Demo of Old Rail Road
- Graphics on Branding Screens
- Earthwork - Clear and Grub
- Site Concrete - Adjacent to Walkway
- Structural Site Concrete
- Rebar
- Steps and Ramps to Elevated Walkway
- Site Utilities - Wet
- Site Electrical - Underground - Dry
- Bicycle Parking
- AC Paving
- Steel Framing for Custom Perforated Panels
- Stainless Steel Guardrail and Frames
- ADA Ramps - Steel Frames and Handrails
- Paint Site Amenities
- Directories / Building Signage (Exterior)
- Modular Restrooms (Not Attached to Building)
- 20 Timber Fendering Piles

The wharf construction contract will include the following components:

- Demolition of 7,673 square feet of existing concrete wharf structure
- Furnish 42 24 inch octagonal piles
- Drive 42 24 inch octagonal concrete piles 35 feet below mudline
- Install concrete pilecaps (148 cubic yards of concrete)
- Install concrete beams (117 cubic yards of concrete)
- Install 8 inch thick cast-in-place concrete slab (189 cubic yards of concrete)
- Install 120 feet of bullrail
- Furnish and Install 14 New Wrapped Timber Fender Piles
- Furnish and Install 14 sets of Fender Pile Connection Hardware to Pier

C.7. A current detailed construction cost estimate for each of the project components. Show quantities, unit prices, and total costs and provide a basis for the determination of construction contingencies. The total of this estimate should match the construction line item of the SF-424C.

**Infrastructure Contract**

Item	Description	Quantity	Unit	Unit Cost	Unit Cost	Unit Cost	Total Cost
Protection Fence		10,800	SF	\$15	\$17	\$17	\$183,870
Demolition	Railroad Tracks	1,140	LF	\$3	\$3	\$3	\$3,882
Demolition	Saw Cut & Remove Asphalt Under (N) ADA Ramps & Entry Ramp / Stair / Electrical Enclosure	6,225	SF	\$6	\$7	\$7	\$42,392
Demolition	Saw Cut for (N) Utility Trenches to/thru Loading Dock - Sewer / Electrical	936	SF	\$13	\$14	\$14	\$13,280
Demolition	Trench Box Rental	1	LS	\$7,500	\$8,513	\$8,513	\$8,513
Demolition	Remove Asphalt Ramping from Loading Dock	4,284	SF	\$5	\$6	\$6	\$24,312
Demolition	Misc.	1	LS	\$5,000	\$5,675	\$5,675	\$5,675
Earthwork	OXR 3'0" for (N) Ramps & Stair Foundations	692	CY	\$10	\$11	\$11	\$7,854
Earthwork	Export	151	CY	\$42	\$48	\$48	\$7,179
Earthwork	Spoils Management	1	LS	\$10,000	\$11,350	\$11,350	\$11,350
Earthwork	Water	1	LS	\$2,500	\$2,837	\$2,837	\$2,837
Earthwork	Survey	1	LS	\$7,200	\$8,172	\$8,172	\$8,172
Site Concrete	ADA Ramps - Concrete Infill	3,258	SF	\$7	\$8	\$8	\$25,885
Site Concrete	Equipment Pad - Transformer/ Gear	558	SF	\$8	\$9	\$9	\$5,067
Site Concrete	Equipment Pad - Heat Pumps (Core Only)	3	EA	\$1,150	\$1,305	\$1,305	\$3,916
Site Concrete	Gravel Under Main Entry Stairs & Transformer Enclosure 6"	8,136	SF	\$4	\$5	\$5	\$36,937
Site Concrete	Rebar	1	LS	\$56,600	\$64,241	\$64,241	\$64,241
Site Concrete	Precast Stairs on Grade - Slab @ Main Entry Stair & Ramp - Primary Structure Linear Foundations	1,463	SF	\$20	\$23	\$23	\$33,824
Site Concrete	ADA Ramps - Foundations	8	EA	\$450	\$511	\$511	\$4,086
Site Concrete	Bollard Foundations	30	EA	\$350	\$397	\$397	\$11,918
Site Concrete	Equipment Enclosure Post Foundations - Calssons	54	EA	\$6,750	\$7,661	\$7,661	\$413,708



**Wharf Construction Contract**

Item	Description	Quantity	Unit	Unit Cost	Unit Cost	Unit Cost	Total Cost
Mobilization & Demobilization		1	LS	\$225,000	\$255,375	\$255,375	\$255,375
Demolition of existing concrete wharf structure		7673	SF	\$28	\$31	\$31	\$239,494
New Wharf Structure	Furnish 24" Octagonal piles (42 piles @ 35' below mudline per ea)	3114	LF	\$70	\$79	\$79	\$247,407
New Wharf Structure	Drive 24" Octagonal piles	42	EACH	\$5,500	\$6,243	\$6,243	\$262,185
New Wharf Structure	Concrete pilecap (caps at 3'x 3' -6" x L = 215' Total)	148	CY	\$1,725	\$1,958	\$1,958	\$289,766
New Wharf Structure	Concrete beams (beams x 2' x 2'x L =375' total)	117	CY	\$1,725	\$1,958	\$1,958	\$229,071
New Wharf Structure	Cast-in-place concrete slab (8" thick)	189	CY	\$1,725	\$1,958	\$1,958	\$370,038
New Wharf Structure	Bullrall	120	LF	\$75	\$85	\$85	\$10,215
New Fender Piles	Furnish and Install New Wrapped Timber Fender Piles	14	EACH	\$11,250	\$12,769	\$12,769	\$178,763
New Fender Piles	Furnish and Install Fender Pile Connection Hardware to Pier	14	EACH	\$2,500	\$2,838	\$2,838	\$39,725
	Baseline Subtotal Cost						\$2,122,039
	Tax, 9.0%						\$228,452
<b>Wharf Construction Contract Total</b>							<b>\$2,350,491</b>

<b>Infrastructure and Wharf Construction Total</b>							<b>\$7,327,655.82</b>
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Owners Rep / Construction Manager							\$200,000.00
Administration / AltaSea							\$100,000.00
Testing, Inspections, Permits & Other Fees							\$550,000.00
<b>SUBTOTAL</b>							<b>\$850,000.00</b>
<b>TOTAL</b>							<b>\$8,177,655.82</b>
Contingency							\$408,882.79
<b>GRAND TOTAL</b>							<b>\$8,586,538.61</b>

C.8. Real property acquisition. If the budget includes costs for acquisition of real property, include a current fair market value appraisal completed by a certified appraiser for the property to be purchased.

N/A

C.9. A list of all permits required for the proposed project and their current status. Identify all permits required; include the timeline to obtain the permits and discuss how the permitting relates to the overall project schedule. If the project crosses a railroad right-of-way or is within a railroad right-of way, explain any permitting or approvals that may be required from the railroad or other authority and the timeframe for obtaining these permits or approvals.

The following permits are being pursued currently. These should be obtained by May 31, 2016. Construction bidding is anticipated to begin in June 2016:

- City of Los Angeles Department of Building and Safety - Building Permit and Certificate of Occupancy
- City of Los Angeles Department of Building and Safety - New/significant improvement for flood zones A, AR, V1-V30, AO(AF) and A1-A3(FW)
- City of Los Angeles Department of Building and Safety - Sewer availability and connection
- City of Los Angeles City Planning Department - "Q" conditions per 12.32G.2
- City of Los Angeles City Planning Department - Coastal Development Permit
- City of Los Angeles City Planning Department - CEQA review for Historic Resources
- City of Los Angeles City Planning Department - ZA cases assigned to property
- City of Los Angeles Department of Building & Safety - Approval of Disabled Access corrections
- City of Los Angeles Department of Building & Safety - Approval for Green Building
- City of Los Angeles Fire Department - Asbestos removal
- City of Los Angeles Fire Department - Hydrants and access around building
- Port of Los Angeles - Work within the Port of Los Angeles
- City of Los Angeles Bureau of Sanitation - Plan approval for developments with more than 500 s.f. floor area
- City of Los Angeles Department of Building and Safety - Mechanical plan check
- City of Los Angeles Department of Building and Safety - Electrical plan check

C.10. An overall estimated project schedule. This schedule should agree with the project schedule outlined in the ED-900. Include the number of months for each of the following:

- CEQA – Approved 10/18/12
- Lease Execution with Port of Los Angeles Harbor Commission – Completed in 12/13
- AltaSea Masterplan – Completed 6/14
- Design Development and Construction Plans – 12/14 to 8/15
- Plan Check and Permitting – 8/15 to 6/16
- SHPO – 3/16 to 5/16
- Construction Bid Process – 6/16 to 8/16
- Contract Negotiation and Mobilization – 9/16
- Construction Duration – 10/16 – 9/17
- Punch List and Final Inspections – 8/17 to 12/17
- Notice of Completion – 12/17

C.11. Overall project budget breakdown. For each "cost classifications" line item that the applicant indicates will be included in the project budget on Form SF-424C, the applicant must provide a breakdown of the proposed project costs and tasks that is consistent with the detailed construction cost estimate for the project provided in the PER.

<b>Administrative and legal expenses</b>	
<b>Administrative and legal expenses - Subtotal</b>	<b>\$100,000.00</b>
<b>Project inspection fees</b>	
<b>Project inspection fees - Subtotal</b>	<b>\$550,000.00</b>
<b>Site work</b>	
Demo of Old Rail Road	\$98,000.00
Graphics on Branding Screens	\$184,000.00
Earthwork - Clear and Grub	\$37,000.00
Site Concrete - Adjacent to Walkway	\$72,000.00
Structural Site Concrete	\$464,000.00
Rebar	\$64,000.00
Steps and Ramps to Elevated Walkway	\$703,000.00
Site Utilities - Wet	\$106,000.00
Site Electrical - Underground - Dry	\$216,000.00
Bicycle Parking	\$215,000.00
AC Paving	\$148,000.00
Steel Framing for Custom Perforated Panels	\$408,000.00
Stainless Steel Guardrail and Frames	\$766,000.00
ADA Ramps - Steel Frames and Handrails	\$543,000.00
Paint Site Amenities	\$52,000.00
Directories / Building Signage (Exterior)	\$85,000.00
Modular Restrooms (Not Attached to Building)	\$409,000.00
Structural Dock Reinforcements	\$2,350,000.00
20 Mooring Piles and Fendering	\$409,000.00
Owners Rep / Construction Manager	\$200,000.00
<b>Site work - Subtotal</b>	<b>\$7,529,000.00</b>
<b>Contingencies</b>	
<b>Contingencies - Subtotal</b>	<b>\$409,000.00</b>
<b>TOTAL COST</b>	<b>\$8,588,000.00</b>

## **AltaSea at Port of Los Angeles**

### **G. Environmental Narrative Requirements**

The National Environmental Policy Act (NEPA) requires Federal agencies to assess the potential environmental impacts associated with proposed federal actions, including financial assistance. Applicants are encouraged to contact their designated Economic Development Representative or the applicable EDA Regional Environmental Officer with questions (please see the EDA website or the applicable Federal Funding Opportunity for contact information) regarding this template and/or the appropriate level of documentation. Resources of available information are listed in many of the sections. If you are using a locally saved copy of this template, please check EDA's website to confirm this is the current version.

For further information regarding EDA's obligations under NEPA, please refer to the regulations for implementing NEPA at 40 C.F.R. 1500-1508. The Council on Environmental Quality's 2007 guidance document "A Citizen's Guide to the NEPA is another resource available online.

Several issues discussed in the environmental narrative below may require consultation with other State or Federal agencies at a later date (for example, the State Historic Preservation Office or the U.S. Fish and Wildlife Service). While EDA does not require that applicants complete such consultations before submitting an initial application, applicants should be aware that in the event their project is selected for further evaluation for funding, EDA may delegate these consultations to the applicant and expect them to be completed in an expeditious manner and prior to approval of an award.

**Applicants must provide information on the following items in the environmental narrative. For any area in which the applicant asserts that an item is not applicable to a project, provide an explanation.**

#### **A. PROJECT DESCRIPTION**

##### **1. Beneficiaries**

Identify any existing businesses or major developments that will benefit from the proposed project, and those that will expand or locate in the area because of the project.

The EDA infrastructure investment will help create the necessary operating capacity for the companion Business Hub site to serve as an anchor and catalyst to create new economy science and technology jobs through new enterprise formation, existing business expansion and strategic industry attraction. With its 120,000 square foot Phase 1a facility, the Business Hub will initially bring up to a half a dozen businesses with an estimated 75 jobs in Year 2 following completion of construction. Companies that are expected to locate at the companion Business Hub include the following:

- **Catalina Sea Ranch LLC**, an aquaculture company based in San Pedro and Catalina Island, will use its recently acquired offshore aquaculture permit from the Army Corps of Engineers and the California Coastal Commission to expand its 100-acre mussel ranch to over 1,000 acres in order to cultivate other sustainable filter-feeding shellfish crops. The company's operations are funded substantially from federal and state grants, as well as private research. Since receiving their offshore aquaculture

permit, they have been approached by numerous national organizations and educational institutions to partner on major research projects. Occupations will be concentrated in scientific research fields such as biology and oceanography. Catalina Sea Ranch is expected to need 5,000 to 10,000 sq. ft. of space, as much of its collaborative research is done remotely.

- **Seatrec, Inc.** is a renewable energy company from NASA/JPL and Caltech. Seatrec's patented energy harvesting technology is applicable to vertically-profiling robots used for oceanographic research. Potential exists for future applications in oceanic, terrestrial, and extra-terrestrial environments. Dr. Yi Chao is the President and Chief Executive Officer (CEO) of Seatrec, Inc. He obtained his M.A. and Ph.D. degrees from Princeton University and B.S. degree from the University of Science and Technology of China. During 1993-2011, Dr. Chao worked at NASA's Jet Propulsion Laboratory (JPL) on a variety of research projects ranging from oceanography, Earth science remote sensing, numerical modeling, and underwater technology development. Dr. Chao was the Project Scientist during 2003-2011 for the Aquarius mission to launch the first satellite measuring ocean salinity from space. Currently, Dr. Chao is also affiliated with UCLA as an Adjunct Professor, and with Remote Sensing Solutions, Inc. as a Principal Scientist. In 2005, Dr. Yi Chao assembled a team at JPL to develop a system to harvest energy from ocean temperature differences that exist between warm surface water and cold water at depth. Initial seed funding was obtained from JPL's Research & Technology Development program during 2005-2007. With guidance from Dr. Russ Davis at the Scripps Institution of Oceanography, the JPL team (Dr. Yi Chao, Dr. Thomas Valdez, and Jack Jones) built upon previous work with PCM-driven buoyancy engines performed by Doug Webb (now at Teledyne Webb Research). With subsequent funding from the Office of Naval Research (ONR) during 2008-2011, the JPL team worked with Russ Davis's team at the Scripps Institute of Oceanography to develop SOLO-TREC, the first environmentally powered underwater vehicle to utilize Thermal RECharging (TREC) technology. The prototype SOLO-TREC was deployed west of Hawaii for long-term sea trials and successfully completed more than 1000 profiles over 18 months. Additional funding from ONR enabled initial development of the SLOCUM-TREC underwater glider by a team including JPL, Rutgers University, and Teledyne Webb Research. SLOCUM-TREC combined PCM-derived buoyancy drive with electric power generation. Seatrec, Inc. was incorporated in 2012. In 2013, Dr. Chao left JPL with the goal of making TREC available to the oceanographic community. In 2014, Seatrec signed an exclusive, royalty-bearing license agreement granting the right to use the two U.S. patents granted to Caltech in 2011 and 2014 for TREC. The company is currently partnered with NASA/JPL, Caltech and OSEAN.

- **Blue Robotics** specializes in manufacturing components for underwater remote vehicles that are used by Universities, students and hobbyists. They are expecting to lease 5,000 sq. ft. when AltaSea and initially employ 10-15 people and grow to 20-25 people within 5 years. Occupations are heavily centered in engineering, industrial design and high tech manufacturing.
- **PortTechLA** is a non-profit technology center and business incubator founded by the San Pedro and Wilmington Chambers of Commerce. Its goal is to create more "green collar" jobs in the Port area to replace the loss of fishing, canning and other maritime industries in the last few decades. They currently have 25 client companies that employ 75 to 100 people. At AltaSea, PortTechLA will expand its business model, creating an onsite incubator to solicit and support marine-based technology companies. As these companies are startup businesses, PortTechLA will provide them with low cost real estate space, marketing and management services and help them gain access to venture capital funding in exchange for equity interest in their business. This type of business organization requires a lengthy startup period to identify and screen qualified business plans. It will also see many of its startup companies fail, but it has the potential to create many successful businesses that can grow rapidly and will graduate from the incubator, potentially taking individual tenant space at AltaSea or elsewhere in Southern California. Occupations will likely be concentrated in scientific research, information technology, engineering and design fields. Based on PortTechLA's experience with its existing incubator that started in 2010, they believe a potential need for up to 30,000 sq. ft. over the next 5-10 years to house an estimated 15-20 start-up businesses.
- **SpaceX** is a private company that is developing space vehicles to launch from Edwards AFB and carry ordinary people into near earth orbit. SpaceX expects to have as many as 50 employees onsite for each vessel recovery and will require up to 20,000 sq. ft. of space at AltaSea.

The following surrounding businesses will benefit from the improved streets, open space, and utilities (see attached Site Map):

- Double Tree Hotel
- CRAFTED at Port of LA
- Red Car Trolley Maintenance Facility
- Pacific Performance Racing
- RS Marine Engine Services
- Mike's Main Diesel Stop
- State Fish Company
- J&D Seafood
- J. Deluca Fish
- Star Fisheries
- Tomich Brothers Seafood

- Smokey Bay Oysters
- Simich Concrete Construction
- The Jankovich Company
- Los Angeles Maritime Museum
- Crowley Liner & Logistics
- World Cruise Center/Berth 91-92 Terminal
- Ports O' Call - shops restaurants

2. **Proposed Construction**

As an exhibit to this Narrative, provide a topographical map of the project area and a site map (with legend and north arrow) displaying the project location and boundaries, existing and proposed project components and location of all sites and/or companies benefitting from the proposed project. The documents should be of sufficient clarity for adequate interpretation of the Applicant's intentions.

Describe the project construction components in detailed, quantifiable terms. Describe the project location, proposed construction methods, and schedule. **It is sufficient to simply reference the Preliminary Engineering Report (PER) here if a PER containing this information has been submitted or will be submitted concurrently.**

The City of Los Angeles, Port of Los Angeles, Los Angeles Harbor Department (LAHD) is proposing to construct a state-of-the-art Marine Research Center/Innovation Campus at City Dock No. 1 at the Port of Los Angeles. The Innovation Campus will consist of a Business Hub, Science Hub, Education Hub, an outdoor recreational space that includes a public harbor promenade, a café, and a verdant landscape. The project is located within Township T5S, Range R14W, Section 24 in the City of Los Angeles, Los Angeles County, California. An EDA investment award would fund infrastructure improvements needed to implement the Innovation Campus. This infrastructure work will include the installation of a portion of the structural support required for City Dock No. 1, new subsurface utilities, accessible hardscape, restrooms and signage infrastructure.

The infrastructure work would be constructed over a eight month period from June 2016 to January 2017. The improvements will be installed in the right-of-way on Signal Street abutting the buffer surrounding Berths 58, 59 and 60 which will comprise the planned 120,000 sq. ft. Phase 1a companion Business Hub facilities and storage space. The investment would essentially modernize the obsolescent infrastructure at City Dock No. 1 and make it possible for beneficiary Business Hub entrepreneurs to sufficiently access the public utilities required for code compliant and specialized marine technology operations. Specific construction elements will include:

- Demolition of railroad tracks, existing concrete and grub earthwork.
- City Dock No. 1 Foundation structural reinforcement with 20 timber fendering piles.
- Modular Restroom facility installation including ramps and landings for each Berth.
- Water and Sewer line upgrade and expansion to serve the Berths and restroom modular units.

- Power and Communication Line rough electrical and conduit installation to bring power and communication capacity to Business Hub and restroom facilities.
- Hardscape, Ramps and Stair concrete work to create steps and ADA access ramps with steel handrails for each Berth.
- Asphalt Paving with striping and signage for 83 parking spaces and 189 bicycle slots.
- Perforated Steel Signage Panels for external information and directional signs with branding screens and painted graphics for each Berth.

The total land disturbance for the infrastructure work will be approximately 2 acres. The construction staging area for this work would be located entirely within the existing ROW at Berths 70-71 and the Sampson Way and 22nd Street Parking Lot.

This infrastructure work is one part of the larger Innovation Campus/Marine Research Center. The total land disturbance for the Innovation Campus/Marine Research Center is 33.8 acres. The overall City Dock No. 1 the Innovation Campus/Marine Research Center would be built out in two phases. Phase I would include the conversion of Berths 56 and 57 into a new SCMI facility and development of an interpretive center open to the public. The majority of the remaining proposed project elements, including the infrastructure work, would be constructed under Phase II. The table below provides a summary of the two phases of development by each element and the total area each major element would contribute to the overall proposed City Dock No. 1 Innovation Campus.

### 3. **Need and Purpose**

Provide a brief summary of the underlying need and purpose of the proposal for EDA funding.

In 2007, the Port of Los Angeles proposed to devote a section of its property to encourage development of a Marine Research and Development Park in San Pedro, now called AltaSea. Accordingly, recognizing that academic marine research facilities represented a land use compatible with the plans for the waterfront, SCMI will also moving its laboratory facilities to the AltaSea location, taking strategic advantage of this opportunity to collaborate. Links currently exist between other marine science facilities in both Los Angeles and Long Beach Harbors: the Cabrillo Marine Aquarium and the Aquarium of the Pacific in Long Beach currently interact with researchers at the existing Southern California Marine Institute facility in Terminal Island and their continuing involvement in a new laboratory complex will enhance the public education role of a Marine Research and Development Park in San Pedro.

The Science Hub at AltaSea will be directed by more than 70 of Southern California's top scientists who are actively innovating and applying breakthrough ocean-based research. Many of these scientists will come from the anchor tenant of the Science Hub, SCMI. As the preeminent partner at the Science Hub, SCMI will bring a comprehensive program of commercial and academic interests that will work in concert to deliver AltaSea's vision of a world-class urban marine research and innovation center.

The Education Hub at AltaSea will also be a prominent public amenity and an educational civic gathering place. Accentuated by an interpretive center, the Education Hub will also provide an auditorium and classrooms for education and community programming. Ultimately, AltaSea will educate 120,000 to 200,000 children from grades K-12 with a total number of visitors expected to exceed 300,000 annually. With its unique location in San Pedro, AltaSea is well positioned between many diverse communities to serve its target population, comprised of those with a lower-socioeconomic profile, as indicated below.

AltaSea has proximity not only to the ocean and the mouth of the largest river in Los Angeles, the L.A. River, but also to the Port of Los Angeles, which gives scientists and students a unique urban context to study marine science and ocean sustainability from. Further, the already existing Cabrillo Marina as well as the retail and tourist attractions surrounding AltaSea will help attract both the local and national tourist community. These assets along with the Port's commitment to improving the connectivity of the San Pedro Waterfront will help bolster the vision of AltaSea to raise awareness of the ocean's importance.

**4. Alternatives to the Proposed Project**

Based in the Need and Purpose summary above, provide a detailed description of alternative actions that were considered during the project planning but were not selected (e.g., alternative locations, designs, other projects having similar benefits, and a "no project" alternative). Explain why this project/site was selected as the preferred alternative with respect to other choices. Provide detail on why others alternatives were rejected (e.g. did not meet the purpose and need of the project, implicated more environmental impacts than the proposed action). If the selected project would impact wetlands or floodplains, please provide a detailed description of alternatives to those proposed impacts.

As part of the Environmental Impact Report (EIR) for the overall Marine Research Center/Innovation Campus five alternatives were initially considered, including the selected Project and the No Project alternative. Two of these alternatives were rejected from detailed consideration, as explained below. The three alternatives that received detailed consideration were the Proposed Project, Alternative 1 - No Project, and Alternative 2 - Reduced Project.

Under the Alternative 1 - No Project, the infrastructure work described in this application would not be done at all. Under Alternative 2 - Reduced Project, the infrastructure work described in this application would be completed in the same manner as in the Proposed Project. The differences in this alternative would be in other areas of the overall Marine Research Center/Innovation Campus Project, but not in the infrastructure work.

In the EIR for the overall Marine Research Center/Innovation Campus, the No Project Alternative was found to be the environmentally superior alternative because it would create fewer adverse impacts, including those that would be significant and unavoidable. However, none of the proposed project objectives, such as the rehabilitation of the potentially historic transit sheds, would be met. State CEQA Guidelines Section 15126.6(e)(2)

requires that in cases where the No Project Alternative is determined to be the environmentally superior alternative, another must also be identified as environmentally superior. Consequently, Alternative #2, the Reduced Project Alternative was found to be the environmentally superior alternative. Under the Reduced Project Alternative, the infrastructure work would be the same as described in this application, and Berths 57–60 would be developed in the same manner as the proposed Project. However, development of Berths 70–71, including the NOAA facilities, opportunity site, and installation of the wave tank, would not occur. Therefore, proposed project objectives #1 and #2 would not be met, which call for the redevelopment of Berths 70-71 and the construction of a wave tank, respectively.

As neither Alternative #1 or #2 would meet the project objectives, the original proposed Project was chosen.

A more detailed description of Alternative #1 and #2 is provided below, as well as Alternative #3 and #4 which were rejected from detailed consideration.

**Alternative 1—No Project**

Under this alternative, the proposed Marine Research Center/Innovation Campus would not be constructed. None of the infrastructure work described in this application would be done. Berths 57–60 would continue to be used for SP Bait company operations; these berths would not be converted to a marine research center, and wharf repair and transit shed repairs would not occur. SCMI would continue to operate the 19,000-square-foot office building in Fish Harbor and continue to face the inadequate space and conditions required for their research. Berth 56 would continue with existing uses, which include the use of a small building by CDFG and surface parking. As part of the SPWP action (and not part of the proposed P 1 roject), the Westway Terminal liquid bulk storage tanks would be removed and Berths 70–71 would subsequently be remediated. With the exception of the existing historic Westway/Pan-American Oil Company Pump House, which would remain, and the existing office building, Berths 70–71 would remain vacant indefinitely after remediation until new development plans could be established and evaluated.

Under the No Project Alternative, impacts on air quality, biological resources, cultural resources, noise, and traffic would be reduced in comparison to the proposed Project. This alternative was not chosen because none of the proposed project objectives, such as the rehabilitation of the potentially historic transit sheds, would be met with this alternative.

**Alternative 2—Reduced Project**

Under this alternative, only Berths 57–60 would be developed into marine research space to be occupied by SCMI, and repairs, rehabilitation, and upgrades would be made to Berth 57 and Berth 58–60 transit sheds and wharves as specified under Section 2.3, above. The infrastructure work would be completed in the same manner as described in this application. SCMI would be relocated to Berth 57, and SCMI facilities at Berth 260 would be demolished as specified in Section 2.3, above. Development of Berths 70–71, including the NOAA

facilities, opportunity site, and installation of the wave tank, would not occur. Because it is proceeding under a separate permitting process (i.e., not part of the proposed Project), the Westway Terminal liquid bulk storage tanks would be removed, and Berths 70–71 would subsequently be remediated. With the exception of the existing historic Westway/Pan-American Oil Company Pump House, which would remain, and the existing office building, Berths 70–71 would remain vacant indefinitely after remediation until new development plans could be established and evaluated. This alternative would also not include the auditorium at Berth 56 or the additional 15 parking spaces proposed at Berth 56. The waterfront promenade would be constructed within City Dock No. 1 as part of implementation of the SPWP. Table 2-2 summarizes development under this alternative.

Under this alternative significant and unavoidable impacts on cultural resources would be avoided; impacts on air quality, GHG, and noise would be slightly reduced; and impacts on biological resources, hazards and hazardous materials, land use and planning, and transportation and circulation would remain similar to the proposed Project. This alternative was not chosen because development of Berths 70–71, including the NOAA facilities, opportunity site, and installation of the wave tank, would not occur. Therefore, proposed project objectives #1 and #2 would not be met, which call for the redevelopment of Berths 70-71 and the construction of a wave tank, respectively.

The following alternatives were rejected from detailed consideration and eliminated from further analysis:

**Alternative 3 - New Construction at Berths 57–60**

This alternative would involve demolition of the existing transit sheds at Berth 57 and Berths 58–60, and construction of new buildings in their place. Under this alternative the infrastructure work would be done in essentially the same manner as described in this application. The programming of the site would be the same as the proposed Project, but this alternative would not adaptively reuse the transit shed structures. Because these structures are considered potentially eligible for listing as historic resources, their demolition would constitute a significant impact, and this alternative would not avoid or minimize the proposed Project’s significant unavoidable impacts on cultural resources. Additionally, the demolition of these structures and construction of new buildings in their place would likely increase other impacts, such as air quality, GHGs, and noise. Therefore, because this alternative would not reduce significant impacts, it has been rejected from further consideration in this EIR.

This alternative was considered in the selection process, but was rejected due to one or more of the following:

- infeasibility due to physical, legal, or technical factors;
- inability to meet the main project objectives; or
- inability to reduce one or more identified significant impact(s).

#### **Alternative 4 - Alternative Site**

Under this alternative none of the infrastructure work described in this application would be completed as the entire Marine Research Center/Innovation Campus project would be built on a different site. Alternative sites for the Marine Research Center/Innovation Campus within the Port of Los Angeles were considered but rejected. No other sites within the Port of Los Angeles with substantial size, availability, and locational qualities were identified. The City Dock No. 1 site provides approximately 28.3 acres of waterfront property with available buildings that can be adaptively reused for the proposed marine research facilities. The location provides synergies with the future buildout of the SPWP, and includes public amenities that provide 1 connections to the community and brings additional visitors to the waterfront. Additionally, the location provides deep draft berths to accommodate vessels ranging in size from small to large 250-foot vessels adjacent to landside facilities. Therefore, no other sites were considered feasible for the proposed Project.

This alternative was considered in the selection process, but was rejected due to one or more of the following:

- infeasibility due to physical, legal, or technical factors;
- inability to meet the main project objectives; or
- inability to reduce one or more identified significant impact(s).

#### **B. HISTORIC/ARCHEOLOGICAL RESOURCES**

Identify any known historic/archeological resources within the project site(s) or area of potential effect that are either listed on the National Register of Historic Places or considered to be of local or State significance and perhaps eligible for listing on the National Register. In many states, the State Historic Preservation Office (SHPO) maintains GIS databases of historic properties and cultural resources. Delineate an Area of Potential Effect (APE) for the project. The APE is the geographic area or areas within which a proposal may cause changes in the character or use of historic properties, which would include (but is not limited to) any new development or renovation by the beneficiary facilitated by the proposed EDA project. Discuss the potential impacts of the project on culturally significant resources and provide a determination as to whether there will be: no historical properties/cultural resources present; no historical properties/cultural resources adversely affected; or historical properties/cultural resources adversely impacted.

**Note that the applicant is not required to contact the SHPO until directed to do so by EDA.** If comments from the SHPO have already been received, they should be attached along with copies of the information provided to the SHPO. If you wish to initiate early consultation, please consult the website of the appropriate SHPO for instructions on required information.

The project site for the work described in this application includes only the infrastructure work. This infrastructure work will include the installation of a portion of the structural support required for City Dock No. 1, new subsurface utilities, accessible hardscape, restrooms and signage infrastructure. There will be no historical properties/culture resources adversely affected by this work.



Resources Survey. These resources are described in the table below. However the infrastructure work would have a less-than-significant impact on Municipal Pier No. 1 and on the Transit Shed as historic resources.

<b>Historical Resources in the APE Determined to Be Significant in a Historical Resources Survey (Meets Definition 4: Identified as Significant in an Historical Resources Survey)</b>			
<i>Name</i>	<i>Location</i>	<i>Survey</i>	<i>Statement of Significance</i>
Transit Shed, Berths 58–60	Berth 58	Fugro West Survey (1997) and IFC Jones & Stokes (2008)	“This building appears to be eligible for individual listing on the NRHP under Criterion A (events). It was one of the first sheds built during the modern era of the Port of LA, and is the oldest known survivor from this period. It also appears to be eligible under Criterion C (design) for its interesting and ambitious use of neoclassical treatments.”
Potential Municipal Pier No. 1 Historic District	Municipal Pier No. 1, including seven contributors and two noncontributors	Appendix E	With a common function, design, and history in anticipation of the increase in shipping due to the opening of the Panama Canal, Municipal Pier No. 1 and its associated structures appear to meet NRHP Criterion A (Events) individually, and as a potential historic district. Due to the early use of reinforced concrete construction at the Port of Los Angeles, which reflected both the permanence and the importance of the facility, Municipal Pier No. 1, and associated structures also appear to meet NRHP Criterion C (Design), and for its associations with the work of a master; City Engineer Homer Hamlin, who was one of the City of Los Angeles’s foremost engineers. For similar reasons, the potential historic district also appears eligible for the CRHR under Criteria 1 (Events) and 3 (Design), and as a City Monument.

*Wharf Improvements and Associated Ground Improvements (Berths 57–60)*

In order to accommodate the proposed project elements at Berths 57–60, construction would involve first upgrading the adjacent wharves on the west side of Pier 1 and the existing retaining wall to current seismic code. There are two potential options for the wharf improvements and associated ground improvements.

Both options would require removal and replacement of both buildings’ roofs and western façades. The roof and western façades of these buildings are considered character-defining features of these historic properties. Demolition of a character defining feature would not be consistent with the guidance provided in the Secretary’s Standards, which require retention

of such features. As such, the original corrugated metal siding and roofing would be removed, stored, and reinstalled to the extent feasible and where such materials and features are currently in good condition, or would be replaced in-kind if such materials are deteriorated beyond repair/replacement. The repairs and upgrades to the transit shed at Berths 58–60 would be designed to meet the Secretary's Standards' requirement, including plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards. As such, no significant impacts on the transit shed at Berths 58–60 resulting from the wharf improvements are anticipated.

Municipal Pier No. 1, inclusive of the entire 36-acre earth-filled pier plus the concrete pile-supported structure along its western edge beneath Berths 57–60, appears to be eligible for listing in the NRHP and CRHR, and as a City Monument both individually and as a contributor to a potential Municipal Pier No. 1 Historic District (see district discussion below). The outermost (western) edge of the wharf consists of approximately 16-inch-square concrete piles spaced about 15 feet apart with a concrete deck resting directly above. This is considered a character-defining feature of the pier. While both wharf improvement options would require wholesale demolition of this character-defining feature of Municipal Pier No. 1 and installation of new steel super piles and concrete decking, the outermost edge of the wharf would be reconstructed in a manner consistent with the Secretary's Standards to retain its original appearance. Similar to the existing design, the first row of concrete piles, end caps, and decking along the westernmost edge of the wharf would be reconstructed using approximately 16-inch square concrete piles spaced about 15 feet apart with a concrete deck resting directly above. As such, these new features would match the old in design, color, texture, and materials, and would conform to the guidance provided by the Secretary's Standards. Given that the new 60- to 72-inch super piles would be set back approximately 27 to 63 feet from the outer (western) edge of the wharf (depending on which option is selected), and would be screened from water- or land-based views by the compatible replacement piles described above, Municipal Pier No 1 would generally retain its original appearance after proposed project completion. As such, this proposed project component would have a less-than-significant impact on Municipal Pier No. 1 as a historic resource.

#### *Potential Municipal Pier No. 1 Historic District*

A potential Municipal Pier No. 1 Historic District was recommended eligible for listing in the NRHP and CRHR, and as a City Monument in a historical resources survey (Appendix E). The proposed Project would include new construction within the potential district (NOAA building and wave tank), as well as alterations to contributing resources (Berths 57–60, and Westway Terminal Building/Pump House, and Municipal Pier No. 1 itself), all of which could adversely affect the historic integrity of the district. New buildings and repair and upgrade of structure eligible for listing would be designed to meet the Secretary's Standards, including plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards, which would reduce the severity of the impact. However, as discussed above, the height and mass of the proposed wave tank cannot be mitigated. Therefore, this project element would result in a significant and unavoidable impact on the setting of

adjacent historic structures, as well as the setting of the potential Municipal Pier No. 1 Historic District as a whole.

### **Mitigation Measures**

Recordation of Municipal Pier No. 1 Historic District Setting. Prior to undertaking the Berths 57–60 wharf upgrades and ground improvements, LAHD will record the existing setting of the Municipal Pier No. 1 Historic District, including recordation of the western elevation of the wharf, in accordance with the federal Historic American Building Survey/Historic American Engineering Record (HABS/HAER) program. This program consists of large-format, black and white photographs, preparation of a historic resources report, and archiving of both at local repositories of historical information.

The Los Angeles Harbor Department Environmental Management Division received a letter from the Native American Heritage Commission on August 1, 2012 providing a list of Native American Contacts and urging that contact be made with them. This letter is on pages 2-13 to 2-15 of the attached City Dock No. 1 Marine Research Center Project Final Environmental Impact Report.

The following Tribal Leaders will be consulted with:

Gabrieleno/Tongva San Gabriel Band of Mission Indians  
Anthony Morales, Chairperson  
P.O. Box 693  
San Gabriel, CA 91778  
GTtribalcouncil@aol.com  
(626) 483-3564 Cell

Gabrielino/Tongva Nation  
Sandonne Goad, Chairperson  
106 1/2 Judge John Aiso St., #231  
Los Angeles, CA 90012  
sgoad@gabrielino-tongva.com  
(951) 807-0479

Gabrielino Tongva Indians of California Tribal Council  
Robert F. Doramae, Tribal Chair/Cultural Resources  
P.O. Box 490  
Bellflower, CA 90707  
gtongva@verizon.net  
(562) 761-6417

Gabrielino/Tongva Tribe  
Linda Candelaria, Co-Chairperson  
1999 Avenue of the Stars, Suite 1100  
Los Angeles, CA 90067  
(626) 676-1184

Gabrieleno Band of Mission Indians - Kizh Nation  
Andy Salas, Chairperson  
P.O. Box 393  
Covina, CA 91723  
gabrielenoindians@yahoo.com  
(626) 926-4131

C. **AFFECTED ENVIRONMENT**

For the resource areas identified below, indicate potential direct and indirect impacts from proposed project activities and specify proposed measures to mitigate probable impacts. Direct impacts are caused by the action and occur at the same time and place. Indirect impacts are those that are caused by a proposed action, but that may occur later in time or farther removed in distance, relative to the primary impacts of the proposed action (40 C.F.R. Section 1508.8) Development induced by the proposed project would be an example of an indirect impact.

1. **Affected Area**

Describe the general project area, including topography, historic land usages, unique geological features, and economic history. Provide site photographs if available. Identify native vegetation and wildlife found in the project area or its immediate vicinity. Describe the amount and type of vegetation in the project area and indicate the impact to vegetation if removed (e.g., 1.2 acres of early successional native hardwood forest). Identify any designated State and National Parks, National Wildlife Refuges, or National Game Preserves located on or in the vicinity of the proposed project activities. Identify any Wilderness Areas, as designated or proposed under the Wilderness Act, or wild or scenic rivers, as designated or proposed under the Wild and Scenic Rivers Act, that are located on or in the vicinity of the proposed project activities.

1. Direct effects
2. Indirect effects

The Los Angeles–Long Beach Harbor was once a low-lying coastal marsh generally referred to as either the Wilmington Lagoon or San Pedro Creek. The lagoon had a complex network of estuaries, stream channels, tidal channels, sand spits, beaches, and marshy inlands (Schell et al. 2003). Although the present configuration of the Port partly reflects the natural arrangement of the landscape, filling and dredging activities have formed an extensive network of wharves and shipping channels along the waterfront. Earth deposits underlying the proposed project area consist of artificial fill materials, as this area of land has been built up during the historic development of the Port.

The Port is located at the southernmost portion of the City of Los Angeles and comprises 43 miles of waterfront and 7,500 acres of land and water, with approximately 300 commercial

berths. The Port is approximately 23 miles south of downtown Los Angeles and is surrounded by the community of San Pedro to the west, the Wilmington community to the north, the Port of Long Beach to the east, and the Pacific Ocean to the south. The Port is an area of mixed uses, supporting various maritime-themed activities. Port operations are predominantly centered on shipping activities, including containerized, break-bulk, dry-bulk, liquid-bulk, auto, and intermodal rail shipping. In addition to the large shipping industry at the Port, there is also a cruise ship industry and a commercial fishing fleet. The Port also accommodates boat repair yards and provides slips for approximately 3,950 recreational vessels, 150 commercial fishing boats, 35 miscellaneous small service crafts, and 15 charter vessels that handle sportfishing and harbor cruises. The Port has retail shops and restaurants, primarily along the west side of the Main Channel. It also has recreation, community, and educational facilities, such as a public swimming beach, Cabrillo Beach Youth Waterfront Sports Center, the Cabrillo Marine Aquarium, the Los Angeles Maritime Museum, 22nd Street Park, and the Wilmington Waterfront Park.

The proposed Project would be located at Berths 56–60 and Berths 70–71 within a section of the Los Angeles Harbor and Port that is adjacent to the community of San Pedro, a highly urbanized area. Additionally, demolition of the existing SCMI facility at Berth 260 on Terminal Island would occur.

The visual character of the proposed project vicinity is defined by the Port's industrial facilities as well as privately owned industrial uses adjoining the Port. These include the following types of uses: canneries, boat repair yards, warehouses, liquid and dry bulk storage facilities for oil, railroad spurs, shipping container storage, and commercial shipping terminals, which are dominated by views of stories-tall steel cranes used for loading and unloading cargo. The appearance of many Port operations is utilitarian in nature, characterized by exposed infrastructure, open storage, the use of unfinished or unadorned building materials, and the use of safety-conscious, high-visibility colors such as orange, red, or bright green for mobile equipment such as cranes, containers, and railcars.

The visual environment within the Port also includes recreational boating facilities and marinas. A large number and variety of watercraft are present, ranging from small recreational and commercial fishing boats to large vessels such as container, crude oil carrier, and cruise ships. In addition, there are beaches and sport fishing areas, cruise line terminals, retail shops, restaurants, and museum/aquarium facilities catering to tourists. The community of San Pedro is located to the west of the proposed project site, mostly on a seaside bluff known as the Palos Verdes Peninsula. Downtown San Pedro, located approximately 0.8 mile northwest of the site, contains medium-rise government office buildings serving the City of Los Angeles, and state and federal agencies. There are also large hotels, restaurants, and small-scale retail stores. The predominant land use in San Pedro, however, is residential. Multiple-family and single-family residences extend along Beacon Street at the eastern edge of the seaside bluff and southwest along Crescent Avenue. A residential high rise (San Pedro VUE Tower) is also located in downtown San Pedro between 5th and 6th Streets, one block north of Harbor Boulevard. Inland from the proposed project

site, the bluff rises to elevations of approximately 300 feet above sea level, offering many residents spectacular sweeping views of the Port and the open sea beyond.



Figure 1

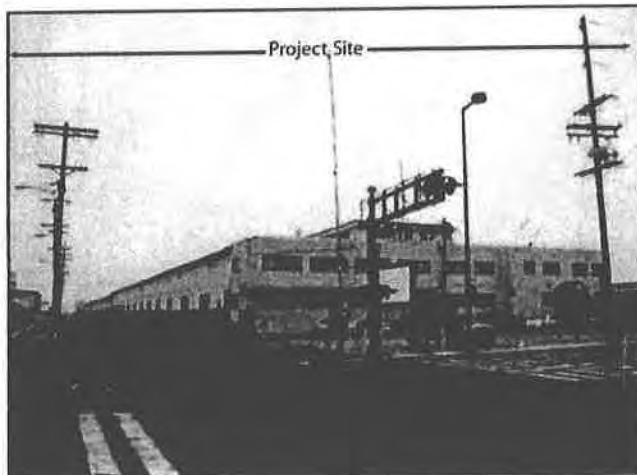


Figure 2

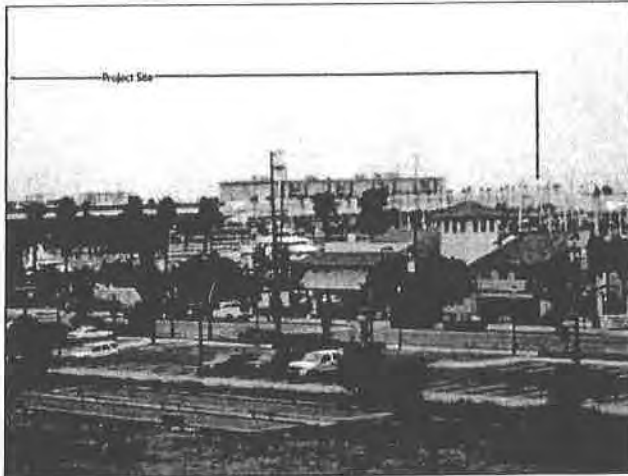


Figure 3



Figure 4

The most common plant species within the proposed project study area are nonnative weeds. Native terrestrial plants were not observed in the proposed project study area. Wildlife species having the potential or known to occur within the proposed project study area include various common insects; native lizards; a variety of native and nonnative small mammal species. A number of common terrestrial bird species may be found in the proposed project study area and adjacent buffer areas, including around 12 dominant species.

In the soft-bottom benthos habitat of the harbor the infauna is dominated by polychaete worms (nearly half of all animals), with crustaceans, mollusks, echinoderms, and minor phyla present in decreasing order of abundance. The 2008 survey (SAIC 2010) identified some 400 species of infauna. The most abundant epifauna in the harbor as a whole are shrimp (Crangon species), ridgeback prawns (Sicyonia species), a spider crab (Pyromaia tuberculata), and a swimming crab (Portunus xanthusii). Other shrimp and crab species, as well as spiny lobsters, sea cucumbers, predatory cone snails, and brittle stars, are also common on harbor

sediments. The 2008 biological survey identified 334 species of animals on the hard-substrate habitats in the harbor, including representatives from every major invertebrate group. The hard-bottom habitat is also characterized by abundant plants, in the form of marine algae. These range from microscopic forms coating the rocks and pilings to the macroalgae commonly called seaweeds. The 2008 survey identified 21 species of seaweeds on the riprap. The water-column habitat is populated largely by plankton and fish, although a number of invertebrates live on the fronds of giant kelp.

In the Outer Harbor, seasonal phytoplankton patterns have been marked by diatom-dominated spring blooms and more intense dinoflagellate-dominated fall blooms, which can be toxic to many marine animals.

In 2008 (SAIC 2010), ichthyoplankton sampling identified a total of 71 species or taxa of larval fish. Harbor-wide, the most abundant larvae were gobies, blennies, sculpins, croakers, and anchovies. Surveys of adult and juvenile fish species within Los Angeles Harbor conducted in 2008 identified a total of 59 individual species from the open-water areas of the LA/LB Harbors (SAIC 2010), and the 2000 survey identified 71 species (MEC et al. 2002), the difference being attributable largely to the more intensive sampling in the 2000 survey. In the water column itself, northern anchovy was the most abundant species collected, comprising 87% of the catch; topsmelt, grunion, queenfish, Pacific sardine, and shiner surfperch also had high abundances. Bottom-associated (demersal) fish were dominated by three species, northern anchovy, white croaker, and queenfish, which together constituted 76% of the total catch.

The most recent comprehensive study of the water birds inhabiting the harbor (SAIC 2010) documented 68 species of birds considered dependent on aquatic habitats (another 28 terrestrial, or non-water-dependent, species such as crows, sparrows, and hawks were also observed). The most well-represented bird groups found within the harbors, and in the proposed project study area, were:

Waterfowl—e.g., western grebe (*Aechmophorus occidentalis*), Brandt's (*Phalacrocorax penicillatus*), double-crested cormorant (*P. auritus*), surf scoter (*Melanitta perspicillata*); Gulls—e.g., Heermann's gull (*Larus heermanni*), ring-billed gull, (*L. delawarensis*), California gull (*L. californicus*), western gull (*L. occidentalis*); and Aerial Fish Foragers—e.g., California least tern, Forster's tern (*Sterna forsteri*), elegant tern (*S. elegans*), royal tern (*S. maximus*), Caspian tern (*S. caspia*), black skimmer (*Rynchops niger*), California brown pelican.

The 2008 survey (SAIC 2010) assigned terrestrial bird species found in and near the proposed project study area to two guilds: Raptors (e.g., osprey [*Pandion haliaetus*], peregrine falcon, red-tailed hawk [*Buteo jamaicensis*]) and Upland Birds (e.g., rock dove [*Columba livia*], American crow [*Corvus brachyrhynchos*], house finch [*Carpodacus mexicanus*]).

Marine mammals have not been well-studied within Los Angeles Harbor, however, both pinnipeds and cetaceans have been recorded including California sea lion (*Zalophus*

californianus), harbor seal (*Phoca vitulina*), Pacific bottle-nose dolphin (*Tursiops truncatus*), common dolphin (*Delphinus delphis*), Pacific white-sided dolphin (*Lagenorhynchus obliquidens*), Risso's dolphin (*Grampus griseus*), Pacific pilot whale (*Globicephala macrorhynchus*), and gray whale (*Eschrichtius robustus*) (LAHD and Jones & Stokes 2003; SAIC 2010). The most common marine mammal to the harbor is California sea lion, which can be seen throughout the year foraging or resting on buoys, docks, and the breakwaters of the Outer Harbor.

#### **Terrestrial Wildlife**

At the project site there are few natural plant species and no natural habitat is present. Demolition of existing landside facilities and construction of new facilities would displace terrestrial biological resources and could destroy some resources. Individual plants would be destroyed and terrestrial animals would be either destroyed or forced to relocate. In no case would construction cause losses of substantial numbers of individuals or substantial reductions in natural habitat, because few individuals, except birds, utilize the proposed project study area and there are few natural plant species and no natural habitat present.

There are no State and National Parks, National Wildlife Refuges, or National Game Preserves located on or in the vicinity of the proposed project activities. There are no Wilderness Areas, or wild or scenic rivers, that are located on or in the vicinity of the proposed project activities. There are no designated Marine Protected Areas (MPAs) within the confines of the harbor. The nearest designated marine life refuge is Point Fermin Marine Life Refuge, which extends towards the harbor to the north edge of Outer Cabrillo Beach.

#### **2. Coastal Zones**

Indicate whether the project is located within a designated coastal zone subject to the Coastal Zone Management Act. Information on coastal zone boundaries is available on the National Oceanic and Atmospheric Administration's (NOAA) website. Identify any shorelines, beaches, dunes, or estuaries within or adjacent to the project site(s). Also indicate if there are any proposed overwater structures that could impact navigable waters.

There are no shorelines, beaches, dunes, or estuaries within or adjacent to the project site. The project is located within California's Coastal Zone. There are no proposed overwater structures that could impact navigable waters.

**3. Wetlands**

Identify any wetlands within or adjacent to the project site(s). If available, provide an on-site wetland/waters delineation performed in accordance with the 1987 (or current version) U.S. Army Corps of Engineers Wetland Delineation Manual, as amended. Provide any correspondence from the U.S. Army Corps of Engineers (USACE), including any jurisdictional determination or permit documents.

1. Provide a determination of direct and indirect effects including the amount of jurisdictional waters affected by type (e.g. 1.1 acres of palustrine emergent wetlands would be impacted by the proposed project).
2. If any wetlands would be impacted by the project, provide an analysis of alternatives to wetland impact in this section or in the Alternatives to the Project section above.
3. Describe any mitigation plans here or in Section D below.

If wetlands, streams, or navigable waters may be impacted, it is recommended that Applicants contact USACE concerning any jurisdictional waters resources.

Within the proposed project study area all of the land is developed and was built up from fill placed during the early development of the harbor to create backlands for maritime-related uses such as commercial fishing and international commerce. Accordingly, there are no natural terrestrial habitats, including wetlands, or sensitive plant communities in the proposed project study area.

**4. Floodplains**

Please state whether the project is located within a mapped 100- or 500-year floodplain. Provide a FEMA floodplain map (with the map number and effective date) displaying the project location and boundaries, existing and proposed project components, and location of all sites and/or companies benefiting from the proposed project. The document should be of sufficient clarity for adequate interpretation of the applicant's intentions.

Floodplain maps can be viewed and printed from FEMA's website. If FEMA floodplain maps do not exist in the project area, provide a letter from a Professional Engineer regarding the presence or absence of a 100-year floodplain.

- i) Describe direct and indirect effects to 100-year floodplains, if any.
- ii) If any 100-year floodplains would be impacted by the project, provide an analysis of alternatives to floodplain impact in this section or in the Alternatives to the Project section above.
- iii) Indicate whether the Applicant's community participates in the National Flood Insurance Program.
- iv) Indicate if a critical action (e.g., emergency response facility, hospital, wastewater treatment plant) is being located within the 500-year floodplain.

See attached floodplain map.

The project is located within a mapped 500-year floodplain. The City of Los Angeles participates in the National Flood Plain Insurance Program. No critical actions are being located within the 500-year floodplain.

## 5. Endangered Species

Provide a list of all threatened, endangered, and candidate species located in or near the project area, including any proposed development by the beneficiary, and the immediate vicinity. Identify these species' potential or existing habitat, and critical habitat designations in the project area. Identify the potential for direct or indirect impacts on these species. Critical habitat designations, lists of protected species by county, and information on effect determinations are available on the U.S. Fish and Wildlife Service's (FWS) website. The FWS' web-based Information, Planning, and Conservation System (IPaC) may also be useful for the early planning stage of a project. If an Effect Determination or Biological Assessment has been completed for any of the species listed, please provide. Attach any correspondence with FWS that exists related to their proposal. For projects with possible impacts to fisheries and marine/coastal species, provide any correspondence with the National Marine Fisheries Service (NMFS).

A total of 18 special-status plants were identified in the literature review as having potential to occur within the general vicinity of the proposed project study area. The species are: aphanisma (*Aphanisma blitoides*), south coast saltscale (*Atriplex pacifica*), Parish's brittlescale (*Atriplex parishii*), Davidson's saltscale (*Atriplex serenana* var.  *davidsonii*), Lewis's evening primrose (*Camissonia lewisii*), southern tarplant (*Centromadia parryi* ssp. *australis*), Orcutt's pincushion (*Chaenactis glabruscula* var. *orcuttiana*), salt marsh bird's-beak (*Cordylanthus maritimus* ssp. *maritimus*), Catalina crossosoma (*Crossosoma californicum*), beach spectaclepod (*Dithyrea maritima*), island green dudleya (*Dudleya virens* ssp. *insularis*), Coulter's goldfields (*Lasthenia glabrata* ssp. *coulteri*), Santa Catalina Island desert thorn (*Lycium brevipes* var. *hassei*), prostrate navarretia (*Navarretia prostrata*), coast woolly-heads (*Nemacaulis denudata* var. *denudata*), Lyon's pentachaeta (*Pentachaeta lyonii*), Brand's phacelia (*Phacelia stellaris*), and estuary seablite (*Suaeda esteroa*).

None of these 18 species has the potential to occur within the proposed project study area. This determination is based on a combination of factors, including the species' requirements for some combination of soils, hydrology, habitats, elevation range, and/or disturbance tolerance, along with consideration of the proposed project study area condition and observed resources.

A total of 39 special-status, state, and federally listed threatened or endangered wildlife species were identified in the literature review as having potential to occur within the general vicinity of the proposed project study area. Factors considered in determining a species' potential for occurrence included presence of potentially suitable habitat; geographic location of the proposed project study area relative to a species' range; direct observation of the species within the proposed project study area; combination of soils, hydrology, habitats, elevation range, and/or disturbance tolerance; consideration of the proposed project study area condition and observed resources; and existing site disturbances.

Of the 39 potential special-status species, 23 are known to be present, at least seasonally, within the harbor area. These species are described in the table below. The 2008 survey observed all of the bird species in the table below except a number of the raptors and

upland birds (the surveys were conducted from the water) Cooper’s hawk, sharp-shinned hawk, white-tailed kite, northern harrier, Western snowy plover, long-billed curlew, Vaux’s swift, burrowing owl, loggerhead shrike, and western yellow warbler (SAIC 2010). Within the proposed project study area the potential for many of these species to occur is much lower than for the harbor as a whole, given the lack of natural habitat and limited extent of the proposed project study area. For example, no suitable nesting habitat exists for burrowing owl, Belding’s savannah sparrow, or Western snowy plover. Nevertheless, it is possible that any of those species could briefly visit either site within the proposed project study area.

Common Name	Scientific Name	Status		Habitat Use
		Federal	State	
Green sea turtle	Chelonia mydas	FT	--	Infrequent visitor; has been observed in Alamitos Bay and in the San Gabriel River.
Common loon	Gavia immer	--	SSC	Uncommon winter and migrant visitor to harbor waters; no breeding potential in study area.
California brown pelican	Pelecanus occidentalis californicus	--	SSC	Common all year; roosts on the breakwaters and forages over harbor waters; nests on the Channel Islands and in Baja California, Mexico. Occasionally observed within the harbor.
Double-crested cormorant	Phalacrocorax auritus	--	SSC	Common all year; rests on open waters and breakwaters. <sup>1</sup>
Cooper’s hawk	Accipiter cooperii	--	SSC	Fairly common-to-infrequent in uplands, primarily wooded and brushy areas; unlikely to nest at harbor. Is likely to occur sporadically as a migrant within the proposed project study area.
Sharp-shinned hawk	Accipiter striatus	--	SSC	Infrequent winter and migrant visitor in wooded and brushy uplands.
White-tailed kite	Elanus leucurus	--	CFP	Rare visitor in open uplands; no breeding potential in study area.
American peregrine falcon	Falco peregrinus anatum	--	SE, CFP	Rare; nests on Vincent Thomas Bridge within 1 mile of the harbor and forages in the harbor area.
Merlin	Falco columbarius	--	SSC	Rare winter and migrant visitor, all habitats; prefers wetlands and extensive grasslands next to trees.
Northern harrier	Circus cyaneus	--	SSC	Infrequent winter and migrant visitor to upland and nearshore waters. Foraging habitat present; no breeding potential in the proposed project study area.
Osprey	Pandion haliaetus	--	SSC	Infrequent winter and migrant visitor to all waters and high overhead. Confirmed as migrant and wintering resident nonbreeder. <sup>1</sup>
Western snowy plover	Charadrius alexandrinus nivosus	FT	SSC	Infrequent visitor to harbor; confirmed as nonbreeder; observed on Pier 400.1

Long billed curlew	Numenius americanaus	--	SSC	Infrequent visitor to harbor; confirmed as nonbreeder; migrant/winter visitor.1
California gull	Larus californicus	--	SSC	Common winter/migrant visitor in harbor area; confirmed as nonbreeder.
Elegant tern	Thalasseus elegans	--	SSC	Common; nested on Pier 400 in 1998–2005; present all year; confirmed as breeder in some years; forages over water near nests.1
Black skimmer	Rynchops niger	--	SSC	Common; nested unsuccessfully on Pier 400 in 1998–2000 and 2004; forages over water near nests; confirmed as breeder. Fledgling census suggested reproductive success was low during these years due to chick mortality.2 Present all year.1
California least tern	Sternula antillarum brownii	E	SE, CFP	Fairly common; breeds on Pier 400, present from about April to early September; forages preferentially over shallow waters; confirmed as breeder.1
Vaux's swift	Chaetura vauxi	--	SSC	Fairly common, widespread migrant (aerial only).
Burrowing owl	Athene cunicularia	--	SSC	Rare non-breeder in open areas; observed at Pier 400 during 2007–2010.2
Loggerhead shrike	Lanius ludovicianus	--	SSC	Rare non-breeder in open areas.
Western yellow warbler	Dendroica petechia brewsteri	--	SSC	Fairly common, widespread migrant in uplands; no breeding at harbor.
Belding's savannah sparrow	Passerculus sandwichensis beldingi	--	SE	Rare; inhabits pickleweed in salt marsh and adjacent uplands; transient visitor to harbor.1
California western mastiff bat	Eumops perotis californicus	--	SSC	Rare or infrequent; possibly roosts in large buildings or tall trees at harbor; foraging would likely be low over uplands.

**Notes:**

FE = federally endangered

FT = federally threatened

SE = state endangered

SSC = state species of special concern

CFP = California fully protected species

-- = no special status

Common: typically present in substantial numbers

Fairly Common: reliably present, but in small numbers

Infrequent: not usually present, but of regular occurrence

Rare: from a single record to a small number of individuals each year

**Sources:**

1 LAHD and USACE 2007.

2 Keane 2000.

### California Least Tern

The California least tern is a migratory species that is present and breeds in California from April through August.

The species has been nesting on Terminal Island since at 1 least 1973 (Keane 2005a), and at the current site on Pier 400 since 1999. Studies of least tern foraging have been conducted in the harbor since 1982. These surveys have found that least terns forage throughout the Outer Harbor, but that once the chicks have hatched they concentrate on shallow-water (generally less than 20 feet deep) areas near their nesting site (Keane 1997, 1999a, 1999b, Keane and Aspen Environmental Group 2004). Foraging is most common near Cabrillo Beach, the West Basin of Long Beach Harbor, the Pier 300 shallow-water habitat, the Seaplane Lagoon, and the gap between the Navy Mole and the Pier 400 Transportation Corridor. Foraging locations are heavily dependent on the localized fish abundance within the size range suitable for least terns, and shallow-water areas (less than 20 feet deep) are an important foraging resource for the least tern.

### California Brown Pelican

California brown pelicans use the harbor year-round, but their abundance is greatest in the summer when post-breeding birds arrive from Mexico. The highest numbers are present between early July and early November, when several thousand can be present (MBC 1984). Pelicans use all parts of the harbor, but they prefer to roost and rest on the harbor breakwater dikes, particularly the Middle Breakwater (MBC 1984; MEC 1988; MEC and Associates 2002). They forage over open waters for fish such as the northern anchovy. Brown pelicans were observed adjacent to Pier 400 throughout the year during the 2000 baseline surveys.

### Western Snowy Plover

Western snowy plovers were observed on Pier 400 during least tern nesting surveys in 2003 through 2007. The plovers were not nesting but appeared to be utilizing this area during migration for foraging (Keane 2003, 2005a). Critical habitat was designated for this species in September 2005 (USFWS 2012b) and included four locations within coastal Los Angeles County, none of which is in the LA/LB Harbors area.

### Burrowing Owl

Burrowing owls were observed on Pier 400 during every least tern survey since 2008 (Keane 2003, 2005a, 2005b, 2007a, 2007b; Keane pers. comm. 2010). The individuals observed were likely present to prey on California least tern adults and chicks (Keane 2007b). Although no evidence of burrowing owl nesting on Pier 400 has been observed during the California least tern monitoring, it is possible that nesting could occur. The nesting season for this species is February through August (California Burrowing Owl Consortium 2011). Based on this, the burrowing owls observed during these studies could be nesting or post-nesting individuals.

### Other Special-Status Bird Species

The California gull, common loon, double-crested cormorant, long-billed curlew, and elegant tern are all marine special-status species that are known to use the harbor for at least part of the year. The elegant tern began nesting on Pier 400 in 1998 and 1999, and 10,170 nests were observed in 2004 (Keane 2005a). SAIC (2010) reported nesting on Pier 300 in 2008. Double-crested cormorants were reported by SAIC (2010) to be nesting in electrical transmission towers on Terminal Island in 2008, and are common throughout the harbors. The California gull, common loon, and long billed curlew do not nest in the harbor.

The black skimmer is a migratory species that nests along the Atlantic and Gulf coasts to southern Mexico and along the coast of southern California, as well as at the Salton Sea (Collins 2006), and was first reported nesting in the Port in 1998. Black skimmer is a California species of special concern (at nesting sites only). It was present in the harbor all year in 2000, but numbers were greatest during the summer nesting season (MEC et al. 2002). In 2008 black skimmers were observed during the winter, but because no nesting occurred in the Port no birds were observed in any other season (SAIC 2010). Black skimmers nested on Pier 400 in 1998 to 1 2000 (range of 10 to 115 nests) with poor success (Collins 2006) and in 2004 (about 25 nests) (Keane 2005b).

The black oystercatcher is protected by the MBTA. The species has been present in the harbor since at least 1973, and was the most common Large Shorebird observed during the 2008 investigations (SAIC 2010). Black oystercatchers typically nest along rocky shores and islands along the Pacific coast of North America. A nesting colony of black oystercatchers was observed within the riprap along the entire length of the Outer Breakwater of the harbor

during baseline studies conducted during 2000 and 2008 (MEC et al. 2002, SAIC 2010). The nesting colony within the Port is considered unusual (MEC et al. 2002), but is clearly a feature of the harbor bird community.

Peregrine falcons are known to nest in the harbor area (Gerald Desmond, Vincent Thomas, and Schuyler F. Heim Bridges; Keane 1999a, 2003) and thus periodically forage in the harbor area, preying upon small birds. In heavily urbanized areas such as the Port, this species commonly nests on anthropogenic structures, and is known to exhibit nest site fidelity from year to year. In recent years falcons nesting on the Gerald Desmond Bridge have successfully fledged several young.

Other special-status raptor species such as red-tailed hawk, American kestrel, Cooper's hawk (*Accipiter cooperii*), sharp-shinned hawk (*Accipiter striatus*), white tailed kite (*Elanus leucurus*), merlin (*Falco columbarius*), and northern harrier (*Circus cyaneus*) have been observed in the harbor and have been recorded as infrequent visitors. Osprey (*Pandion haliaetus*) has been confirmed as a wintering resident nonbreeding species in the harbor (MEC et al. 2002, SAIC 2010). Very limited foraging habitat (e.g., open grassland or ruderal areas) exists for these raptor species within the proposed project study area, and there is no potential breeding habitat for white-tailed kite or northern harrier.

In the open ruderal area near 22nd Street/Old Tank Farm , a single loggerhead shrike was recorded during reconnaissance surveys conducted during 2005 (Campbell pers. comm.). It is likely that this individual was nesting in the brush lining the adjacent bluffs. Loggerhead shrikes were not observed during the 2002 and 2008 baseline surveys, but that is not unexpected given the upland nature of the species.

Belding's savannah sparrow (*Passerculus sandwichensis beldingi*) inhabits pickleweed salt marshes exclusively (USACE and LAHD 1992) and has been sporadically identified within the harbor. Although pickleweed (*Salicornia virginica*) exists at the Salinas de San Pedro Salt Marsh, no nesting Belding's savannah sparrows have ever been identified at this location (Chilton pers. comm.). Within the harbor area, western yellow warbler (*Dendroica petechia brewsteri*) is expected to be limited to a few migrants during spring and summer. This species is protected under the MBTA. The harbor area lacks suitable breeding habitat for this species.

#### Bats

A number of special-status bat species may be found in the proposed project study area, including long-legged myotis (*Myotis volans*), long-eared myotis (*Myotis evotis*), Yuma myotis (*Myotis yumanensis*), and California western mastiff bat (*Eumops perotis californicus*). While none of these species specifically is known to be associated with marine habitats, some may forage over urban developed areas, aquatic habitats including the harbor, and open land. Roosting requirements vary by species. Within the harbor area, roosting habitat may include crevices or compartments in buildings or warehouses, under or

within compartments in bridge structures, or in any natural or anthropogenic compartment, bridge, or alcove. Maternity colonies typically are formed in April and May; young are weaned and flying by July and August (Barkley 1993).

#### Sea Turtles and Marine Mammals

Green sea turtles have been observed infrequently in Alamitos Bay and in the San Gabriel River, possibly attracted to the warm thermal effluent from two upstream generating stations (LAHD 2009). The most recent green sea turtle sighting was a single individual observed in Alamitos Bay during September 2006. There were additional sightings within San Gabriel River in 1999 and 2002, and three green sea turtles were observed in the river during 2004 (LAHD 2009).

#### Marine Mammals

All marine mammals are protected under the Marine Mammal Protection Act (MMPA) of 1972, and some are also protected by the federal ESA of 1973. Pinnipeds (sea lions and seals) and cetaceans (whales and dolphins) have been recorded within Los Angeles Harbor, including California sea lion, harbor seal, Pacific bottle-nose dolphin, common dolphin, Pacific white sided dolphin, Risso's dolphin, Pacific pilot whale, and gray whale (LAHD and Jones & Stokes 2003). The most common marine mammal occurring in the harbor is the California sea lion. Harbor seals are less common than sea lions but individuals can be found sporadically throughout the year. Dolphins are seen occasionally, and sightings of whales are rare (USACE and LAHD 1979). No marine mammal species breed in Los Angeles Harbor. None of the pinnipeds found within the harbor are endangered, and there are no designated significant ecological areas for the two species within the harbor. Additionally, there are no designated Marine Protected Areas (MPAs) within the confines of the harbor. The nearest designated marine life refuge is Point Fermin Marine Life Refuge, which extends towards the harbor to the north edge of Outer Cabrillo Beach.

Outside the breakwater, a variety of marine mammals use nearshore waters. These include the gray whale, which migrates from the Bering Sea to Mexico and back each year, blue whale (*Balaenoptera musculus*), fin whale (*Balaenoptera physalus*), humpback whale (*Megaptera novaeangliae*), sperm whale (*Physeter catodon*), minke whale (*Balaenoptera* sp.), and killer whale (*Orcinus orca*). The blue, fin, humpback, sperm, gray, and killer whales are all listed as endangered under the ESA, although the Eastern Pacific grey whale population was delisted in 1994. Species of baleen whales generally are found as single individuals or in pods of a few individuals.

Toothed whales, and particularly dolphins, can be found in larger groups of up to a thousand or more (Leatherwood and Reeves 1983). Several species of dolphin and porpoise are commonly found in coastal areas near Los Angeles, including the Pacific white-sided dolphin, Risso's dolphin, Dall's porpoise (*Phocoenoides dalli*), bottlenose dolphin, northern right

whale dolphin (*Lissodelphis borealis*), and common dolphin, with the common dolphin being the most abundant (Forney et al. 1995).

#### Essential Fish Habitat

In accordance with the 1996 amendments to the Magnuson-Stevens Fishery Conservation and Management Act (MSA), of the fish species managed under the MSA, four pelagic and 15 groundfish (demersal) 1 species are found in the Los Angeles Harbor and are assumed to occur in the proposed project study area (Table 3.3-2). The proposed project study area includes designated EFH for two fishery management plans (FMP), the Coastal Pelagics and Pacific Groundfish FMPs (NMFS 1997). Four of the five species in the Coastal Pelagics FMP are well represented in the proposed project study area. In particular, the northern anchovy is the most abundant species in Los Angeles Harbor, representing over 80% of the fish caught (SAIC 2010), and larvae of the species are also a common component of the ichthyoplankton (SAIC 2010). It is generally held that this species spawns outside the harbor and that the young are carried into the harbor by currents. There is a commercial bait fishery for northern anchovy in the Outer Harbor. The Pacific sardine is currently one of the most common species in the harbor, ranking in the top ten in abundance in the 2008 survey (SAIC 2010). This species is not known to spawn in the harbor. Sardines are also a component of the commercial bait fish harvest in the harbor. Both sardines and northern anchovies are important forage for piscivorous fish. The two other coastal pelagic species, the Pacific and jack mackerel, are common but not abundant as adults in the harbor.

Of the species in the Pacific Groundfish FMP, only four—olive rockfish, vermilion rockfish, California skate, and scorpionfish—can be considered common in the harbor. Olive rockfish have been found largely as juveniles associated with the kelp growing along the inner edge of the Federal Breakwater (MEC 1988). No olive rockfish were caught in bottom or midwater trawls in the 2008 surveys (SAIC 2010), probably because the nets used do not sample olive rockfish habitat effectively. A total of 20 vermilion rockfish were caught in bottom trawls during the 2008 survey, most of them at night, which indicates that the species is not uncommon in the harbor. A total of 23 California skate were captured in the 2008 survey, but in previous surveys they have been uncommon. Scorpionfish is not a major component of the fish community in the harbor (only 11 were caught in the 2008 survey) but is likely to be under-represented in the normal catch due to its nocturnal habits. Diver surveys of local rocky outcrops at night have observed large numbers of scorpionfish in areas where they were not caught in nets or observed during the day (MEC 1991).

There has been no correspondence with the USFWS or the National Marine Fisheries Service (NMFS).

**6. Land Use and Zoning**

Describe the present formal zoning designation and current land use of the specific project site and adjacent land parcels. The areas include: the site of construction activities, adjacent areas, and areas affected by the primary beneficiaries. Land uses to be considered include, but are not limited to, industrial, commercial, residential, agriculture, recreational, woodlands, mines/quarries, and open spaces. Please indicate whether the project is located entirely within a city limit.

Identify agriculture land parcels designated as "prime/unique agriculture lands" by the U.S. Department of Agriculture (USDA) under the Federal Farmlands Protection Act or a local equivalent. Additional information may be found at the USDA's Natural Resources Conservation Service website.

The present formal zoning designation of the project site is [Q]M3-1, [Q]M2-1, M2, and M3. The current land use of the site is General/Bulk Cargo (Non Hazardous Ind. and Com.). The current land use of adjacent areas and areas affected by the primary beneficiaries is also General/Bulk Cargo (Non Hazardous Ind. and Com.).

The project is located entirely within the City of Los Angeles. There are no agricultural parcels.

**7. Solid Waste Management**

Indicate the types and quantities of solid wastes to be produced by the project facilities and primary beneficiary. Describe local solid waste collection and disposal methods and the expected useful life of the disposal facility. Indicate if recycling or resource recovery programs are currently being used or will be used in the future.

The Outdoor Space at Berths 58-60 is expected to generate 502.17 tons of solid waste per year.

**Solid Waste Generation from the Proposed Project (Estimated):**

Proposed Project Designated Land Use: Outdoor Space

General Land Use: Warehouse

Building Area (gsf): 16,400

Solid Waste Generation Factor Used to Estimate Pounds per Day: 30.62 tons/1,000 gsf/year

Tons per Day: 1.38

Tons per Year: 502.17

Construction and demolition activities would generate debris that would require disposal in a landfill. Construction and demolition materials would include asphalt, concrete, building materials, and solids. In 2010, the LAHD has achieved a 99% diversion rate for construction debris. The proposed Project consists of reconstruction and repair of 1,900 linear feet of wharf. Street sections would be repaired and repaved, not reconstructed. Therefore, debris from demolition would be relatively small quantities. With implementation of the Port's Green Building Policy, construction recycling programs, and waste diversion strategies, impacts would be less than significant.

In the event that unidentified hazardous materials are encountered during proposed roadway improvements and/or proposed project construction, recycling options would be explored. However, if recycling is not an option, disposal of hazardous materials at a Class I landfill would be based on facility and hazardous material requirements. Although hazardous materials could be encountered and require disposal during construction activities, several contaminated soil treatment and disposal options and Class I landfills are available for offsite disposal, providing adequate capacity.

The City of Los Angeles Department of Public Works Bureau of Sanitation (BOS), in general, and Browning Ferris Industries (BFI, a private waste management service) provide solid waste collection and disposal services for the proposed project area currently. However, private waste haulers, such as BFI, would vary depending on the individual tenant's choice over time. Most of the nonhazardous solid waste generated within the proposed project area is disposed of at the Sunshine Canyon City/County Landfill, located at 14747 San Fernando Road in Sylmar, California. Sunshine Canyon is owned by BFI and has a maximum allotted throughput of 12,100 tons per day. Sunshine Canyon has a remaining capacity of 112,300,000 cubic yards and an operation cease date of December 31, 2037 (CalRecycle 2011a).

Los Angeles County Ordinance 7A prohibits solid waste generated in the City of Los Angeles from being handled by or disposed of in facilities and landfills operated by the Los Angeles County Sanitation Districts (LACSD). Therefore, the proposed Project would not be permitted to dispose of solid waste at any LACSD facility including: the Calabasas Landfill, Puente Hills Landfill, Scholl Canyon Landfill, and the Puente Hills Intermodal Facility.

There are two transfer stations that serve the proposed project area: the Falcon Refuse Center in the Wilmington Community and the Southeast Resource Recovery Facility in the City of Long Beach. The Falcon Refuse Center is operated by Allied Waste Transfer Services of California and receives an average of 1,850 tons per day. The permitted capacity of this facility is 3,500 tons per day. The center accepts solid waste from construction and demolition activities, as well as industrial and mixed municipal sources (CalRecycle 2011b).

The Southeast Resource Recovery Facility (SERRF) is located in the City of Long Beach, west of the Terminal Island Freeway, just north of Ocean Boulevard at 120 Pier S Avenue. The facility is owned by a separate authority created by a joint powers agreement between the Sanitation Districts and the City of Long Beach, but is operated under contract by a private company. The site is not open to the public and only pre-approved and pre-registered licensed waste haulers may use the facility. The facility accepts only nonhazardous municipal solid waste. Currently the maximum daily permitted tonnage is 1,380 tons per day. The average daily tonnage being accepted is 1,290 tons per day (LACSD 2011a, 2011b).

In 2010, the Port alone disposed of approximately 11,803 tons of waste and diverted approximately 22,158 tons, achieving a diversion rate of 54.5%. The waste reduction and

recycling assessments in 2009–2010 showed that the tenants audited disposed of 22,735 tons and diverted 55,818 tons, for an overall diversion rate of 68.0% (Garrett pers. comm.). Currently, the City has a recycle diversion rate of 65%, with a goal of 70% by 2013 and a zero waste goal (90% or greater diversion) by 2025 (Pereira pers. comm. 2011).

#### Impact Determination

The Marine Research Center/Innovation Campus would generate approximately 10.33 tons of solid waste per day, which is an increase of 5.42 tons per day. Of this amount, only 1.38 tons of solid waste per day would be created by the outdoor improvements area described in this application. However, not all solid waste created by the proposed Project would be sent to Sunshine Canyon City/County Landfill. Currently, the City of Los Angeles has a recycle diversion rate of 65%, with a goal of 70% by 2013 and a zero waste goal (90% or greater diversion) by 2025 (Pereira pers. comm. 2011). With the current recycle diversion rate of 65%, the amount of solid waste that would go to the landfill represents 0.03% of the permitted daily throughput of 12,100 tons. If the goal of 70% diversion is achieved by 2013, that amount would remain at 0.03%. Finally, if the goal of zero waste (90% or greater diversion) is achieved by 2030, the amount of solid waste sent to Sunshine Canyon City/County Landfill would be less than 0.01% in 2037. It is important to note that these goals are optimistic but obtainable, and should be analyzed.

The negligible increases in solid waste that would be diverted to the Sunshine Canyon City/County Landfill are considered less than significant. Additionally, proposed project operation would be required to comply with all existing hazardous waste laws and regulations, including the federal RCRA and CERCLA, as well as Titles 22 and 26 of the CCR. The Sunshine Canyon City/County Landfill would be able to accommodate the negligible increase in solid waste generated by proposed project operations. Additionally, with anticipated recycle diversion rates for the area, solid waste removal and disposal would be adequately provided for in the proposed project area, and there would no longer be an impact during proposed project operations.

Based on the discussion above, the proposed Project would result in less-than significant impacts on landfill capacities. With implementation of the Port's Green Building Policy, construction recycling programs, and waste diversion strategies, impacts would be less than significant.

8. **Hazardous or Toxic Substances**

Describe any toxic, hazardous, or radioactive substances that will be utilized or produced by the proposed project facilities and primary beneficiaries. Describe the manner in which these substances will be stored, used, or disposed. Complete and sign one “Applicant Certification Clause” for each co-applicant (see Appendix A). Indicate if hazardous or toxic substances have been or must be remediated prior to construction, demolition, or renovation. If a recent Phase I or Phase II Environmental Site Assessment has been performed, please provide a copy of the executive summary (a full copy may be requested at a later date).

The construction and operation of the proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is a part, would be subject to applicable federal, state, and local laws and regulations governing the spill prevention, storage, use, and transport of hazardous materials, as well as emergency response to hazardous material spills, thus minimizing the potential for adverse health and safety impacts. The operation of the proposed Project would include infrastructure improvements and enhancements to existing transit sheds within Berths 56–60 (including research, teaching, and meeting spaces, and a marine science business park/incubator space with offices and research laboratory space) and the area within Berths 70–71 (e.g., government offices), which would not introduce the significant use of hazardous materials available for release in Planning Area (PA) 2. Operation of the proposed Project would comply with the applicable safety and security regulations and policies guiding the development of the Port. The proposed Project does not include operation of cargo, cruise, or liquid bulk facilities or other industrial uses or hazardous facilities that would be inconsistent with security and safety regulations and LAHD policies.

The proposed Project would be required to comply with the Port Master Plan (PMP), including LAHD’s Risk Management Plan (RMP). The PMP calls for the long-range plans for Planning Area 2 (PA2) to include the relocation of hazardous and potentially incompatible cargo operations to Terminal Island and its proposed southern extension. The development of PA2 is anticipated to focus primarily on commercial, recreational, and commercial fishing, and nonhazardous cargo and support activities. The removal of the Westway terminal supports this long-range plan for PA2 by relocating an industrial area and opening up the site to potential reuse with commercial activity. The RMP provides further guidance for existing activities and future development of the Port to minimize or eliminate impacts on vulnerable resources from accidental releases. The proposed Project does not include any operations that would pose a significant risk of hazardous release on the vulnerable resources. The proposed Project is consistent with the PMP.

The infrastructure facilities described in this application would not utilize or produce any toxic, hazardous, or radioactive substances. The marine research laboratories and marine science business park/incubator operations of which the project described in this application is a part, would likely use small amounts of materials that could be considered hazardous, such as chemicals, fuels, and cleaning supplies, in the normal course of operation. Saltwater and life support systems could utilize ozone in water treatment. These operations would be required to follow all local, state, and federal regulations regarding the use, storage, and

handling of these hazardous materials. These regulations are enforced by agencies such as LAFD, Cal/OSHA, CalEPA, and EPA.

**9. Water Resources**

Describe surface and underground water resources at or near the project site(s) and any impacts of the project to these. If groundwater will be used, is the aquifer in overdraft and /or adjudicated? If there will be discharges to surface water, is the receiving surface water body listed on the U.S. Environmental Protection Agency's (EPA) Section 303(d) list of impaired waters? Is a National Pollution Discharge Elimination System (NPDES) permit required for any discharges to surface waters? Indicate if the proposed project is located within an area mapped by the EPA as sole source aquifer recharge area (maps and further information are available on EPA's website). Describe any induced changes in local surface water runoff patterns, and the status of storm water discharge permit processes (if applicable).

The proposed project area, like all of Los Angeles Harbor, is located in the Dominguez Watershed, which drains approximately 133 square miles of western Los Angeles County, including the harbor area itself. Los Angeles Harbor occupies the western end of San Pedro Bay, and is adjacent to Long Beach Harbor. Los Angeles Harbor is divided for the purpose of managing water and sediment quality into two major areas; the Outer Harbor, which encompasses the open waters between the landmass and the federal breakwaters; and the Inner Harbor, which comprises the channels and basins that provide vessel access to the various berths and piers. The East Channel and Main Channel of Los Angeles Harbor, where the proposed Project would be located, are part of the Inner Harbor.

Both harbors function oceanographically as one unit due to connections via the Cerritos Channel and the Outer Harbor area behind the federal breakwaters. Los Angeles Harbor was created by extensive dredging and filling of the original marshes and sloughs, and the construction of the breakwaters, in the first half of the twentieth century. The combined Los Angeles/Long Beach Harbor oceanographic unit is comprised mainly of marine waters of the harbor, and is primarily influenced by the Southern California coastal marine environment known as the Southern California Bight. The harbors connect to the coastal ocean through two deep channel openings in the protective breakwaters, through the opening to eastern San Pedro Bay, and by exchange through the porous breakwaters themselves.

The main freshwater influx into the Los Angeles Harbor is through the Dominguez Channel Estuary, which enters the harbor about 4 miles northeast of the proposed project area and conveys the drainage of the majority of the Dominguez Watershed. Another freshwater contributor to the harbor is the discharge of treated wastewater effluent from TIWRP into the Outer Harbor off Pier 400, about 3 miles east of the proposed project area. Sheet runoff and storm drain discharges during and after storm events also add freshwater to the harbor. Despite these inputs, freshwater is a relatively minor component of the harbor waters, which consistently maintain oceanic salinities.

Surface freshwater in the proposed project area is entirely stormwater runoff, which enters the harbor from numerous storm drains or drainage systems, including the Dominguez Channel. The East Channel receives stormwater from adjacent lands (most of which are paved) via small, local storm drains. Those stormwater systems are relatively old and have no associated treatment systems, discharging directly to the East Channel via a system of catch basins, ditches, and culverts. Stormwater from the southeastern portion of the proposed project area drains into the Main Channel through small, local drains. There are no lakes, streams, or other natural surface water bodies in the proposed project area. The largest stormwater conveyance is the Dominguez Channel, which drains into the Consolidated Slip of the harbor, approximately 4 miles northeast of the proposed project area.

Four major aquifers—the Silverado, Lynwood, Gage, and Gaspar—are present within the Los Angeles Basin and are used for industrial and municipal water supply outside the harbor area. The two major water-bearing zones that occur within the vicinity of the proposed project site are the Gaspar and Gage aquifers (LAHD and USACE 2007). Both of these aquifers are composed of fine- to medium-grained sand and silty sand. According to the conceptual phasing plan for remediation of the Westway site prepared in 2010 (Tetra Tech 2010), the proposed project area is predominantly underlain by a shallow unconfined aquifer, which is present at a depth ranging from 3 to 12 feet bgs. Shallow groundwater beneath the site is saline, is not currently considered potable water, and would not likely be considered a potable or beneficial water source in the future.

Drinking water is provided to the proposed project area by City of Los Angeles Department of Water and Power (LADWP). No existing production wells are located in the vicinity of the proposed project site as the underlying groundwater is not suitable for drinking.

Soil in limited and isolated portions throughout the proposed project area has been impacted by hazardous substances and petroleum products as a result of spills during historic industrial land uses. In addition, groundwater has been impacted by hazardous substances and petroleum products within the proposed project area and potentially within the larger perched aquifer. Areas within the proposed project site are in various stages of contaminant site characterization and remediation, and would be improved prior to development and construction. Excavation and grading in potential remaining or unknown contaminated soils could result in inadvertent spreading of such contamination to areas that were previously unaffected by spills of petroleum products or hazardous substances. If contamination were encountered prior to or during construction, it would be remediated prior to development or demolition. The removal of site contamination prior to development would further minimize the potential for movement or expansion of existing contamination.

The proposed Project would be required to remediate and remove existing groundwater and soil contamination during construction activities and prior to the full operation of the proposed Project. The proposed Project would not result in an increase in soil and groundwater contamination. The proposed Project would ultimately reduce the existing

amount of soil and groundwater contamination caused by other past projects. Because contribution from the proposed Project would lessen the effects of contamination movement, the proposed Project would not make a cumulatively considerable contribution to a significant cumulative impact.

#### Mitigation Measures and Residual Cumulative Impacts

LAHD would require remediation and a contamination contingency plan, which would minimize potential impacts. Impacts would be less than significant, and would not contribute to cumulatively considerable impacts with regard to movement or expansion of existing contamination.

Neither construction nor operation of the proposed Project would not result in discharges that create pollution, contamination, or nuisance as defined in Section 13050 of the CWC or that cause regulatory standards to be violated, as defined in the applicable NPDES stormwater permit or Water Quality Control Plan for the receiving water body.

Construction and operation of the proposed Project would not substantially reduce or increase the amount of surface water in a water body. The proposed Project would also not result in a permanent, adverse change to the movement of surface water sufficient to produce a substantial change in the current or direction of water flow as no dredge or fill activities would occur

Construction of the proposed Project would not result in a demonstrable and sustained reduction in potable groundwater recharge capacity nor would construction result in a change in potable water levels. Although shallow groundwater may be locally extracted during construction dewatering, this perched groundwater is highly saline and non-potable. Localized groundwater withdrawal would have no impact on potential underlying potable water supplies. Also, drinking water is provided to the proposed project area by the LADWP. Water extracted during construction dewatering would be tested and disposed of in accordance with local and state water quality regulations. Therefore, cumulative impacts would not occur, and the proposed Project would not result in a cumulatively considerable impact related to groundwater recharge capacity or change in potable water levels.

The proposed project is not located within an area mapped by the EPA as sole source aquifer recharge area.

As with the existing condition, runoff water from the proposed project site would drain into the harbor. During demolition, grading, and construction activities, a Stormwater Pollution Prevention Plan (SWPPP) would be implemented to ensure discharge to the harbor would be minimized and that which would discharge to the harbor would be treated through BMP identified in the SWPPP. Standard BMPs will be used during construction and demolition activities to minimize runoff of contaminants and air pollutants, in compliance with the State General Permit for Stormwater Discharges Associated with Construction Activity (Order No. 2009-0009-DWQ, amended by Order No. 2010-0014-DWQ) and the project-specific SWPPP.

For more information on water quality during construction, see Section 3.13 of the EIR, "Water Quality, Sediments, and Oceanography," specifically the analysis provided under Impact WQ-4a. Construction water runoff to the harbor would not exceed the Los Angeles RWQCB's requirements and impacts would be less than significant.

**10. Water Supply and Distribution System**

Indicate the source, quality, and supply capacity of local domestic and industrial/commercial water resources, and the amount of water that project facilities and primary beneficiaries are expected to utilize. Note whether the water that is being supplied is in compliance with the Safe Drinking Water Act, and if not, what steps are being taken to ensure compliance.

Water service is provided to the proposed project area by the LADWP, which is responsible for conserving, treating, and distributing water for domestic, industrial, agricultural, and firefighting purposes within the City. Water sources utilized by LADWP consist of both local sources, such as wells and recycled water (for non potable uses), and imported water, including water obtained via the Los Angeles Aqueducts and purchases from the Metropolitan Water District of Southern California (Metropolitan). Metropolitan imports water from the Colorado River via the Colorado River Aqueduct, from northern California via the State Water Project's California Aqueduct, and from various groundwater sources. In accordance with LAHD's commitment to reduce and conserve the amount of water used in the proposed project area, infrastructure would be incorporated to support the use of reclaimed water for landscaping purposes. Therefore, the proposed Project would use recycled water provided by the LADWP when the service is made available to the area.

The area of the outdoor infrastructure improvements described in this application are estimated when complete to use 132,889.20 gallons of water per year, based on the following estimates:

Area (gsf): 16,400  
Water Consumption Rate: 22.2 gpd/1,000 gsf  
Gallons per Day: 364  
Gallons per Year: 132,889.20

Operation of the proposed Project would not result in a violation of regulatory water quality standards at an existing production well, as defined in CCR, Title 22, Division 4, Chapter 15 and in the Safe Drinking Water Act.

Drinking water is provided to the proposed project area by LADWP in accordance with the Safe Drinking Water Act. No existing production wells are located in the vicinity of the proposed project site as the underlying groundwater is not suitable for drinking.

**11. Wastewater Collection and Treatment Facilities**

Describe the wastewater treatment facilities available for processing the additional effluent including usage by the beneficiary(s). Indicate design capacities and current loading (both daily average and peak), and adequacy in terms of degree and type of treatment required. Describe all domestic class or process wastewater or other discharges associated with the project facilities and its primary beneficiaries, and the expected composition and quantities to be discharged either to a municipal system or to the local environment. Indicate all discharges that will require on-site pre-treatment. Note whether the wastewater treatment plant is in violation of the Clean Water Act, and if so, what steps are being taken to ensure compliance. If local treatment and sewer systems are or will be inadequate or overloaded, describe the steps being taken for necessary improvements and their completion dates.

During construction of the project, the limited extent of in-water construction would minimize turbidity and any associated water quality impacts. Furthermore, BMPs and other construction controls that would be employed in compliance with the construction and discharge requirements of the relevant permits would minimize the likelihood and severity of contaminant inputs to harbor waters. Any such discharges would be small and result in temporary, localized impacts to water quality that would not violate water quality standards. Accordingly, impacts of construction-related water quality standards and discharge requirements would be less than significant.

Operation of the outdoor infrastructure facilities for which this grant application is being submitted are anticipated to produce approximately 328 gallons of wastewater per day, or 119,720 gallons per year.

Discharges of stormwater would comply with NPDES discharge permit limits and would, because of modern BMPs, likely have less impact on harbor water quality than under baseline conditions. Therefore, the impacts of stormwater discharges relative to water quality standards and discharge requirements would be less than significant. Given the small size and number of vessels that might use the proposed Project facilities, and the mechanisms in place to control spills, operation of the proposed Project would result in minimal increases in discharges or other water quality impacts associated with vessel traffic. Impacts related to vessel discharges would be less than significant. Consequently, the impact on water quality from operational discharges would be less than significant.

The Terminal Island Water Reclamation Plant (TIWRP) is located at 455 Ferry Street and treats wastewater for the communities of Wilmington, San Pedro, a portion of Harbor City, and the heavily industrialized Terminal Island (LA Sewers 2011). The TIWRP provides pretreatment, primary sedimentation, secondary treatment, tertiary treatment (filtration), advanced treatment (microfiltration and reverse osmosis), sludge digestion, and drying. The TIWRP treats all flow received to at least first stage tertiary levels. Some wastewater is further treated for reuse in irrigation and industrial water supplies. The liquid effluent flows to the Outer Harbor to a point approximately 3,000 feet off shore via a 60-inch diameter outfall. The TIWRP is designed to treat 30 million gallons per day (mgd). Currently, the plant

is processing at approximately 57% capacity, treating between 16 and 17 mgd. (BOS 2004; City of Los Angeles Stormwater Program 2011).

Discharge to the sanitary sewer from the proposed overall Marine Research Center/Innovation Campus Project would meet the Los Angeles Regional Water Quality Control Board's (LARWQCB) requirements as there is sufficient capacity at the TIWRP and discharge from the TIWRP to the ocean is already regulated by the LARWQCB. Discharge to the harbor during construction would be minimized by the implementation of a SWPPP and during operation by being treated, tested, and monitoring in compliance with LARWQCB requirements. Impacts would be less than significant. The TIWRP operates in compliance with the LARWQCB requirements and has sufficient capacity to accommodate the proposed overall Marine Research Center/Innovation Campus Project's wastewater generation.

It is possible that the existing sewer pump station would be inadequate to accommodate operational wastewater from the proposed project site during continuous peak loads. Therefore, the proposed Project would potentially need to upgrade the existing pump to provide more capacity to accommodate the proposed project demand. These improvements would accommodate expected growth associated with the proposed Project.

The facilities to be developed as described in this application would not create discharges that will require on-site pre-treatment. The TIWRP is not in violation of the Clean Water Act.

**12. Environmental Justice (Executive Order 12898)**

Describe whether the proposed project will result in disproportionate adverse human health or environmental impacts relative to minority and low income populations. Sufficient detail should be provided to enable EDA to determine whether the project will comply with Executive Order 12898.

The proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is a small part, would result in disproportionate effects on minority and low income populations as a result of significant impacts related to air quality (ambient concentrations of criteria pollutants during construction). Other potentially significant impacts of the proposed Project would either be reduced to less than significant or less than cumulatively considerable through implementation of mitigation measures, or would not have disproportionate effects on minority and low income populations.

The following details apply to the effects of the construction of the Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is a small part:

**Air Quality**

The region of analysis for air quality impacts is the entire South Coast Air Basin as well as the area within the immediately vicinity of the proposed project site.

Impact AQ-1: Proposed project unmitigated emissions for VOC, CO, and NOX from construction would exceed the SCAQMD daily thresholds. With implementation of mitigation measures, impacts from CO and NOX would remain significant. Because residential areas closest to the proposed project site are predominately minority (Figure 5) and have a concentration of low-income population relative to Los Angeles County (Figure 6), the elevated ambient concentrations of CO and NOX would constitute a disproportionately high and adverse effect on minority and low-income populations.



Figure 5

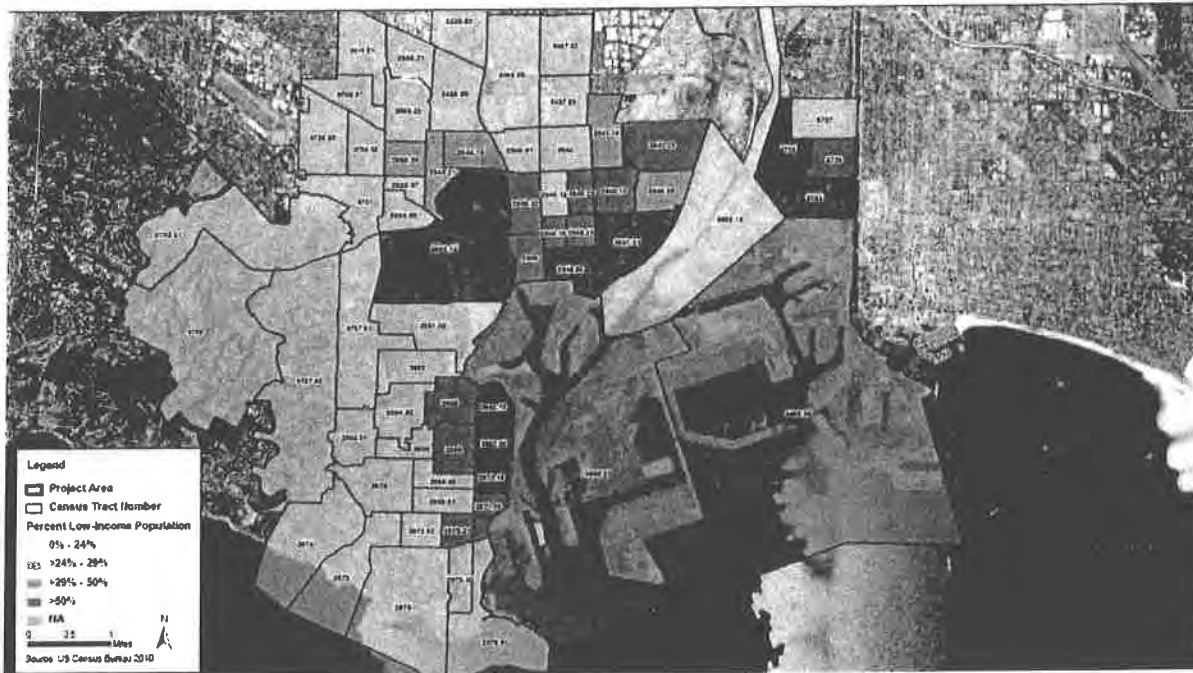


Figure 6

In addition, the proposed Project would make a cumulatively considerable contribution to a significant cumulative air quality impact associated with emissions of VOCs, CO, NOX SOX, PM10, and PM2.5 from construction. Because residential areas closest to the proposed project site are predominately minority (Figure 5) and have a concentration of low-income population (Figure 6), the elevated ambient concentrations of VOCs, CO, NOX SOX, PM10, and PM2.5 would constitute a disproportionately high and adverse effect on minority and low-income populations.

Impact AQ-2: Proposed project construction would result in offsite ambient concentrations of criteria air pollutants (specifically NO2 during construction that would exceed SCAQMD thresholds of significance, even after implementation of mitigation measures. This determination applies to individual Project impacts as well as the proposed Project’s cumulative contribution.

Although the receptor points with maximum concentration would not be in residential areas, residential areas would experience higher concentrations the closer they are to the proposed project site. Because residential areas closest to the proposed project site are predominately minority (Figure 5) and have a concentration of low-income population relative to Los Angeles County (Figure 6), the elevated ambient concentrations of NO2 would constitute a disproportionately high and adverse effect on minority and low-income populations.

Adverse human health effects of NO<sub>2</sub> include (a) potential to aggravate chronic respiratory disease and respiratory symptoms in sensitive groups and (b) risk to public health implied by pulmonary and extra-pulmonary biochemical and cellular changes and pulmonary structure changes. NO<sub>2</sub> also contributes to atmospheric discoloration, although this impact would be regional and would not primarily affect populations closest to the emission sources. These adverse health effects may occur disproportionately among minority and low-income populations in the vicinity of the proposed Project as a result of elevated ambient concentrations in exceedance of SCAQMD thresholds.

In addition, the proposed Project would make a cumulatively considerable contribution to a significant cumulative air quality impact related to NO<sub>x</sub> during construction. Because residential areas closest to the proposed project site are predominately minority and have a concentration of low-income population, the elevated ambient concentrations of NO<sub>x</sub> would constitute a disproportionately high and adverse effect on minority and low-income populations.

Impact AQ-3: Proposed project peak daily emissions of VOC, CO, and NO<sub>x</sub> would exceed the SCAQMD daily emission thresholds. Even with incorporation of Mitigation Measures MM AQ-4, MM AQ-7, and MM AQ-8, as well as lease measures, increases in VOC, CO, and NO<sub>x</sub> would remain significant. Because residential areas closest to the proposed project site are predominately minority (Figure 5) and have a concentration of low-income population relative to Los Angeles County (Figure 6), the elevated ambient concentrations of VOCs, CO, and NO<sub>x</sub> would constitute a disproportionately high and adverse effect on minority and low-income populations.

In addition, the proposed Project would make a cumulatively considerable contribution to a significant cumulative air quality impact from VOCs, CO, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> during operation, and this cumulative impact would constitute a disproportionately high and adverse effect on minority and low-income populations.

Impact AQ-7: SCAQMD's Facility Prioritization Procedures for the AB 2588 Program (SCAQMD 2011) provided the methodology for the screening level health risk calculation. The prioritization procedures take into consideration the potency, toxicity, quantity, and volume of hazardous materials released from the facility, adjustment factors for receptor proximity, exposure period, averaging times, and multi-pathway factors for resident and worker receptors in calculating a total facility prioritization score. A score of 10 or more signifies a potentially high impact facility and requires that a health risk assessment (HRA) be conducted, under the AB 2588 program, to assess the risk to the surrounding community. A score above 1 but below 10 signifies a potentially intermediate impact and requires, under the AB 2588 program, that an HRA be conducted to assess potential risks. A score of 1 or below signifies a low potential for impacts on the surrounding community and does not require the facility to conduct an HRA. Cancer risk, non-cancer chronic, and non cancer acute impacts with the proposed Project would each have a prioritization score of less than 1. The

direct cancer risk, non-cancer chronic, and non-cancer acute health impacts would therefore be below significance.

However, because the proposed Project would attract 1 sensitive individuals to a location that most likely has a higher risk than their place of residence, an indirect recreational health risk impact may result. The magnitude of the impact would depend on a variety of factors, including the frequency and duration of a person's visit, the person's exertion level (i.e., breathing rate) during the visit, the amount of Port and industrial activity occurring during the visit, and the prevailing meteorological conditions (wind speed, wind direction, and atmospheric stability level).

Although most visitors would probably receive a relatively slight health risk impact, the possibility exists that a frequent visitor could accumulate a significant long-term cancer or non-cancer impact. The possibility also exists that any visitor could receive a significant short-term (acute) impact if the visit takes place during a high level of adjacent industrial activity coupled with worst-case meteorological conditions.

Therefore, in the short term, the indirect health impacts on visitors to the proposed Project would be significant and unavoidable. Furthermore, it is reasonably foreseeable that a large percent of visitors would be from the surrounding communities of San Pedro and Wilmington. Therefore, Impact AQ-7 of the proposed Project would result in a disproportionately high and adverse effect on minority and low-income populations.

It is important to note that in the long term levels of pollution from Port facilities will substantially diminish in accordance with the CAAP and CARB regulatory requirements. Specifically, DPM from Port trucks has diminished by 80% under the Port's proposed Clean Trucks Program. The Ports of Los Angeles and Long Beach have also instituted voluntary programs to reduce DPM emissions from Port operations including installation of diesel oxidation catalysts on yard equipment, funding the incremental costs of cleaner fuels, cold-ironing of ocean-going ships, and providing monetary support to the Gateway Cities truck fleet modernization program. In addition, efforts at the state and local level to implement the Diesel Risk Reduction Plan and to fulfill commitments in the SIP will also reduce emissions. For example, the new off-road engine standards adopted by CARB and EPA will reduce emissions from new off-road engines by over 95% compared to uncontrolled levels. As another example, CARB adopted a regulation in July 2008 that requires low sulfur fuel in ships operating within 24 nautical miles of the California coast, starting in 2009. This regulation would reduce DPM emissions from ships by about 75% in 2009 and 83% by 2012 compared to uncontrolled levels. Other current regulations and future rules adopted by CARB and EPA will further reduce air emissions and associated cumulative impacts in the proposed project region.

**13. Transportation (Streets, Traffic and Parking)**

Briefly describe the local street/road system serving the project site(s) and describe any new traffic patterns that may arise because of the project. Indicate if land use in the vicinity, such as residential, hospital, school, or recreational, will be affected by these new traffic patterns.

Indicate if any existing capacities of these transportation facilities will be exceeded as a direct or indirect result of this project implementation, particularly in terms of car and truck traffic, and what the new Level of Service designation will be.

Primary regional access to the proposed project area is provided by the I-110 northwest of the proposed project site, and by the Vincent Thomas Bridge and Seaside Avenue (SR-47), located northeast of the proposed project site. Year 2009 data from Caltrans shows that the average daily traffic (ADT) volume on the Harbor Freeway to the north of Gaffey Street was approximately 66,000 vehicles per day (vpd) and 50,000 vpd on the Vincent Thomas Bridge (Caltrans 2009). Access to the site from SR-47 is provided via the ramps at Harbor Boulevard. Local access to the proposed project site is provided by a well-defined grid of arterial and collector roads. The roadway designations within the proposed project study area include the following: Major Highway – Class I, Major Highway – Class II, Secondary Highway, Collector Street, and Local Street. The primary roadway facilities in the proposed project study area are as follows:

- Gaffey Street is classified as a Major Class II Highway that aligns north–south in the study area. This arterial provides a connection for local and regional travel from San Pedro to other parts of Los Angeles and the South Bay region. Gaffey Street is a major commercial corridor within San Pedro.
- Harbor Boulevard/Miner Street is classified as a Major Class II Highway and provides north–south access along the eastern edge of the San Pedro community. It continues as Front Street north of the site and as Miner Street south of Crescent Avenue.
- Via Cabrillo Marina is classified as a Local Street and provides north–south access along the eastern edge of San Pedro from the Cabrillo Marina. The four-lane divided roadway terminates at 22nd Street.
- Signal Street is a Local Street providing north–south access in San Pedro. It is a two-lane undivided roadway, which continues as Sampson Way north of its intersection with 22nd Street.
- Summerland Avenue is classified as a Secondary Highway and provides east–west access in San Pedro. It is a two-lane undivided roadway between its terminus to the west at Western Avenue and its terminus to the east with Gaffey Street/Gaffey Place.
- O’Farrell Street is classified as a Collector Street and provides east–west access in San Pedro. It is a predominantly residential corridor. The two-lane roadway terminates in the east at Harbor Boulevard and in the west at Gaffey Street.
- 1st Street is classified as a Secondary Highway that provides east–west access in San Pedro. It is a predominantly residential corridor in San Pedro. The two-lane roadway terminates in the east at Harbor Boulevard and in the west at Miraleste Drive.
- 3rd Street is classified as a Collector Street and provides east–west access in San Pedro. It is a predominantly residential corridor with one travel lane in each direction.

3rd Street terminates to the east at Harbor Boulevard 1 and to the west at South Harbor View Avenue.

- 5th Street is classified as a Secondary Highway and provides east–west access in San Pedro. 5th Street has a mix of commercial and residential land uses. The two-lane undivided roadway terminates to the west at South Bandini Street and to the east at Harbor Boulevard. 5th Street provides access directly to the Port of Los Angeles and the Maritime Museum parking lot.
- 6th Street is classified as a Local Street and provides east–west access in San Pedro. The two-lane undivided roadway extends from Weymouth Avenue eastbound to Sampson Way. Development along 6th Street is predominantly commercial east of Gaffey Street and residential west of Gaffey Street.
- 7th Street is classified as a Secondary Highway between Weymouth Avenue and Harbor Boulevard and provides east–west access through the central portion of the community of San Pedro. This roadway starts just east of Western Avenue and terminates at Harbor Boulevard.
- 9th Street is classified as a Major Class II Highway between Western Avenue and Pacific Avenue, providing east–west access through the central portion of the community of San Pedro. Between Pacific Avenue and Beacon Street, it is classified as a Local Street. This roadway starts west of Western Avenue and terminates at Beacon Street, one block west of Harbor Boulevard.
- 22nd Street is classified as a Secondary Highway east of Gaffey Street and as a Local Street west of Gaffey Street. 22nd Street has a mix of residential and commercial land uses, and is a two-lane undivided roadway. 22nd Street extends from Elanita Drive eastbound to Signal Place.
- 25th Street is classified as a Major Class II Highway providing east–west access through the southern portion of the community of San Pedro. This roadway starts west of Western Avenue and terminates at Pacific Avenue.

The construction of the proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is a part, would result in a temporary increase in traffic volumes and a decrease in roadway capacity due to temporary lane closures on Signal Street and possibly on 22nd Street. The impact of construction-generated traffic on transportation operations without mitigation is considered significant. Therefore, mitigation is required. Impacts would be less than significant after mitigation.

Mitigation will involve the development and implementation of a traffic control plan throughout proposed project construction. In accordance with the City's policy on street closures and traffic diversion for arterial and collector roadways, the construction contractor will prepare a traffic control plan (to be approved by City engineers) before construction.

The traffic control plan will include:

- a street layout showing the location of construction activity and surrounding streets to be used as detour routes, including special signage;
- a tentative start date and construction duration period for each phase of construction;
- the name, address, and emergency contact number 1 for those responsible for maintaining the traffic control devices during the course of construction; and
- written approval to implement traffic control from other agencies, as needed.

The operation of the completed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is a part, would increase demand for expanded commercial, recreational, and other proposed waterfront facilities and would therefore increase the number of people traveling to and from the San Pedro Waterfront area. The resulting increase in traffic volumes on the surrounding roadways would in turn degrade intersection operations.

To determine whether significant impacts would occur at the study intersections, the proposed project operating conditions for each phase were compared to the baseline, or Without Project, operating conditions documented in 2011. Projected increases in intersection V/Cs resulting from proposed project-generated traffic during Phase I of the proposed Project are not expected to exceed the adopted thresholds. Thus, impacts through 2016 would be less than significant. Projected increases in intersection V/Cs resulting from proposed project-generated traffic during Phase II of the proposed Project are not expected to exceed the adopted thresholds. Thus, impacts through 2024 would be less than significant.

The proposed Project would add fewer than the arterial threshold of 50 vehicle trips through the arterial monitoring stations defined in the Congestion Management Program (CMP). The CMP thresholds are not exceeded, and no further analysis of CMP arterial intersections is required. Thus, CMP arterial intersection impacts are considered to be less than significant. The CMP mainline freeway monitoring station nearest to the proposed project site is I-110, south of C Street. The Traffic Study analysis indicates that the proposed Project would add fewer than the CMP freeway threshold of 150 trips through this station. Since incremental proposed project-related traffic at this location is projected to be less than the minimum criteria of 150 vehicles per hour, no further CMP freeway analysis is required, and CMP freeway impacts are considered to be less than significant.

Operation of the Proposed project would not cause increases in demand for transit service beyond the supply of such services. Operation of the Proposed project would not result in a violation of the City's adopted parking policies and parking demand would not exceed supply. The proposed Project does not include design elements that would result in conditions that would increase the risk of accidents, either for vehicular or nonmotorized traffic.

Land use in the vicinity will not be affected by any new traffic patterns created by the Project. Existing capacities of the local street/road system serving the project site will not be exceeded as a direct or indirect result of this project implementation.

**14. Air Quality**

Indicate types and quantities of air emissions (including odors) to be produced by the project facilities and its primary beneficiaries, and any measures proposed to mitigate adverse impacts. Indicate the impact that the project would have on greenhouse gas emissions. Is the proposed project site classified as a “non-attainment” area for any criteria pollutants? If so, what are those pollutants? Indicate any local topographical or meteorological conditions that hinder the dispersal of air emissions.

The following analysis of air emissions applies to the entire proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is only a small part.

**Construction-related Emissions that Exceed an SCAQMD Threshold of Significance**

Without mitigation, peak daily construction emissions would exceed the SCAQMD daily emission thresholds for VOC in construction years 2014, 2015, 2016, 2019, 2020, 2021, 2023, and 2024. Peak daily construction emissions would also exceed the SCAQMD daily emission thresholds for NOX in construction years 2014, 2015, 2019, and 2020. The largest contributor to peak daily VOC construction emissions would be fugitive emissions from the painting of buildings, whereas the largest contributor to peak daily NOX emissions would be the exhaust from off-road construction equipment, followed by exhaust from on-road vehicles.

Without mitigation, peak daily overlapping construction and operational emissions would exceed the SCAQMD daily emission thresholds for VOC in construction years 2016 through 2024, for CO in years 2021 through 2024, and for NOX in construction years 2019 through 2024. The largest contributor to peak daily VOC construction emissions would be fugitive emissions from the painting of buildings, whereas the largest contributor to peak daily CO and NOX emissions would be the exhaust from operation of marine research vessels. Due to the different combinations of construction and operational activities, the highest overlapping emissions would vary between different years for different pollutants.

Therefore, without mitigation, the proposed Marine Research Center/Innovation Campus Project would exceed the daily construction emission thresholds for VOC, CO, and NOX, and significant impacts would occur.

### **Mitigation Measures**

Mitigation measures for proposed project construction were derived, where feasible, from the LAHD's Sustainable Construction Guidelines, in consultation with LAHD staff, and applicable measures of the CAAP. These mitigation measures are required during construction and are to be implemented by the construction contractor.

#### Off-road Construction Equipment

MM AQ-2: Implement Fleet Modernization for Construction Equipment

#### On-road Trucks

MM AQ-5: Clean Trucks Program for Construction Haul Trucks

#### Tugboats

MM AQ-1: Implement Harbor Craft Engine Standards

#### Fugitive Emissions

MM AQ-3: Implement Additional Fugitive Dust Controls

MM AQ-4: Implement SCAQMD's Super-Compliant Architectural Coating Standard

#### Mitigation Measures Not Quantified in the Mitigated Emission Calculations

MM AQ-6: Implement Best Management Practices

MM AQ-7: Implement General Mitigation Measure

Table 3.2-15 on page 3.2-65 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" presents the peak daily criteria pollutant emissions associated with construction of the proposed Project after the application of mitigation measures. Peak daily emissions for each construction phase were determined by totaling the daily emissions from those construction activities that overlap in the proposed construction schedule. Table 3.2-15 shows that, with mitigation, peak daily construction emissions would be reduced, but would remain above the level of significance for VOC in years 2023 and 2024. Peak daily NOX construction emissions would also be reduced, but would remain above the level of significance in years 2014 and 2015. The largest contributor to peak daily NOX construction emissions would be the exhaust from off-road construction equipment.

Table 3.2-16 on page 3.2-69 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" presents the peak daily overlapping construction and operational emissions after the application of mitigation measures. Table 3.2-16 shows that, with mitigation, peak daily overlapping construction and operational emissions would be reduced but would remain above the level of significance for VOC, CO, and NOX in years 2021 through 2024. The largest contributors to peak daily VOC emissions are fugitive emissions from architectural coatings. Marine vessel and vehicle emissions are the largest contributors to CO, and marine vessels are the largest contributors to NOX emissions.

Mitigation Measures MM AQ-6 and MM AQ-7, not included in the mitigated emissions calculations, could further reduce construction emissions, depending on their effectiveness. However, CO and NOX impacts would remain significant and unavoidable.

**Offsite Ambient Air Pollutant Concentrations During Construction that Exceed a Threshold of Significance**

Table 3.2-17 on page 3.2-73 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" presents the peak day onsite construction emissions without mitigation and compares the emissions to significance thresholds. It shows that without mitigation, localized construction emissions would exceed the SCAQMD LST threshold for NOX in years 2014 and 2015; therefore, the proposed Project would potentially contribute to exceedances of the state ambient air quality standard for NO2 in the immediate proposed project vicinity. Without mitigation, localized construction emissions would also exceed the federal threshold for NOX in year 2015; therefore, the proposed Project would potentially contribute to exceedances of the federal ambient air quality standard for NO2 in the immediate proposed project vicinity.

Construction and operational activities would overlap in years 2016 through 2024. Table 3.2-18 on page 3.2-74 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" shows that—without mitigation—localized, overlapping construction and operational emissions would not exceed the SCAQMD LST or federal thresholds for any criteria pollutants and significant impacts would not occur.

Mitigation measures MM-AQ-1 through MM-AQ-7, as described above, will be implemented. Table 3.2-19 on page 3.2-77 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" presents the peak day, localized construction emissions with mitigation and shows that NOX emissions would be reduced after mitigation to below the level of significance. Mitigation Measures MM AQ-6 through MM AQ-7, not quantified in the mitigated emissions calculations, could reduce construction emissions even further, depending on their effectiveness.

**Operational Emissions that Exceed a SCAQMD Threshold of Significance**

Table 3.2-20 on page 3.2-79 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" shows that without mitigation, the proposed Project's unmitigated peak daily operational emissions would exceed SCAQMD Significance Thresholds for VOC in analysis years 2016, 2021, 2024, and 2042. Peak daily operational emissions would exceed SCAQMD Significance Thresholds for CO in analysis years 2021, 2024, and 2042. Peak daily operational emissions would exceed SCAQMD Significance Thresholds for NOX in analysis years 2021, 2024, and 2042. The largest contributor to operational VOC emissions would be re-application of architectural coatings, whereas the largest contributor to operational CO and NOX emissions would be exhaust from marine vessels and on-road vehicles due to site visitors. Therefore, without mitigation, the proposed

project operations would exceed the significance thresholds for VOC, CO and NOX, and significant impacts would occur.

#### Mitigation Measures

Mitigation measures for proposed project operations were derived in consultation with LAHD staff and applicable measures of the CAAP.<sup>3</sup> These mitigation measures are required during operation and are to be implemented by LAHD. Mitigation Measures MM AQ-4 and MM AQ-7, as described above, will be implemented.

#### Lease Measures

The following measures are standard lease measures that would be included in the lease. The measures will reduce future air emissions and comply with Port air quality planning requirements.

LM AQ-1: Periodic Review of New Technology and Regulations. LAHD will require tenants to review, in terms of feasibility and benefits, any LAHD-identified or other new emissions-reduction technology, and report to LAHD.

LM AQ-2: Substitution of New Technology. If any kind of technology becomes available and is shown to be as good or as better in terms of emissions reduction performance than the existing measure, the technology could replace the existing mitigation measure pending approval of LAHD.

Table 3.2-22 on page 3.2-83 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" shows that, following mitigation, the proposed Project's peak daily operational emissions for VOC, CO, and NOX would be reduced but would remain above the level of significance in years 2021, 2024, and 2042. The largest contributor to VOC emissions would be vehicle sources, whereas the largest contributor to CO and NOX emissions would remain exhaust from marine vessels and vehicle sources. Impacts would be significant and unavoidable.

#### Greenhouse Gas Emissions

Table 3.2-27 on page 3.2-95 of the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report" presents an estimate of proposed project-related GHG emissions in the form of CO<sub>2</sub>e. Both construction- and operation-related GHG emissions are compared to the CEQA baseline emissions for significance determination. As shown, the proposed project GHG emissions would exceed the SCAQMD CEQA significance threshold of 3,000 mty, and would therefore result in a significant impact.

Mitigation measures MM AQ-1 through MM AQ-7 developed for criteria pollutant emissions as part of air quality impacts AQ-1 through AQ-8 would not serve to reduce GHG emissions because the mitigation measures reduce criteria pollutants but not fuel consumption. The Port of Los Angeles Green Building Policy, which requires incorporation of energy and water

efficiency measures into new and redeveloped buildings pursuant to LEED standards, as well as the purchase of renewable energy from LADWP, would facilitate minimization of greenhouse emissions generated by the proposed Project. Although LEED standards provide for use of solar panels, to further expand on this policy a mitigation to further facilitate use of solar panels is proposed. LAHD will review the feasibility of including the City Dock site on its Inventory of Potential PV Solar Sites at POLA from the December 2007 Climate Action Plan. This measure is not quantified. Proposed project GHG emissions would remain above the significance threshold; therefore, impacts would be significant and unavoidable.

#### **Non-attainment Area**

The EPA currently designates the South Coast Air Basin (SCAB), which includes all of Orange County and the urban portions of Los Angeles, Riverside and San Bernardino counties, as an extreme nonattainment area for 8-hour O<sub>3</sub>, a serious nonattainment area for PM<sub>10</sub>, and a nonattainment area for PM<sub>2.5</sub>. SCAB is considered a maintenance area for CO and NO<sub>2</sub> and is unclassified for SO<sub>2</sub> and lead (EPA 2011).

The California Air Resources Board (CARB) currently designates the SCAB as an "extreme" nonattainment area for 1-hour O<sub>3</sub>, and as a nonattainment area for 8-hour O<sub>3</sub>, PM<sub>10</sub>, PM<sub>2.5</sub>, NO<sub>2</sub>, and lead. The air basin is in attainment of the California Ambient Air Quality Standards (CAAQS) for CO, SO<sub>2</sub>, and sulfates; and is unclassified for hydrogen sulfide and visibility reducing particles.

There are no local topographical or meteorological conditions that hinder the dispersal of air emissions.

#### 15. **Noise**

Will operation of project facilities or primary beneficiaries' facilities increase local ambient noise levels? If yes, indicate the estimated levels of increase, and the areas and sensitive receptors (e.g., residences) to be affected.

The following analysis of air emissions applies to the entire proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is only a small part.

Operation of the proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is only a small part, would only incrementally (1 dB or less) increase noise levels at receivers within the proposed project area. Therefore, because the proposed Project would not cause an increase of 3 dBA in Community Noise Equivalent Level (CNEL) to or within the "normally unacceptable" or "clearly unacceptable category," or increase in any way by 5 dBA or more, noise impacts would be less than cumulatively considerable.

**16. Permits**

Identify any Federal, State, or local permits of an environmental nature needed for the project (e.g., USACE, US Environmental Protection Agency (EPA), Coastal Zone Management/Shoreline Management, Air Quality, State Environmental Policy Act, NPDES, etc.) and the status of any such permits. Attach copies of any such permits and all associated correspondence, including the permit applications.

The following permits are being pursued currently. These should be obtained by May 31, 2016 (see attached City of Los Angeles Department of Building and Safety Application for Building Permit Clearance Summary Worksheet):

- City of Los Angeles City Planning Department - Coastal Development Permit
- City of Los Angeles City Planning Department - CEQA review for Historic Resources
- City of Los Angeles Department of Building and Safety - Approval for Green Building
- City of Los Angeles Fire Department - Asbestos removal
- Port of Los Angeles - Work within the Port of Los Angeles
- City of Los Angeles Bureau of Sanitation - Plan approval for development with more than 500 s.f. floor area

**17. Public Notification/Controversy**

Provide evidence of the community's awareness of the project, such as newspaper articles or public notification and/or public meetings, as applicable. If a formal public hearing has been held, attach a copy of the minutes. Fully describe any public controversy or objections which have been made concerning this proposed project and discuss steps taken to resolve such objections.

During the scoping process, various individuals or organizations representatives provided comments on the scope and content of the Draft EIR. The NOP was issued on December 3, 2010, and mailed to all stakeholders, including elected officials, residents, businesses, Port of Los Angeles tenants, and other community based organizations. The NOP scoping period occurred between December 3, 2010, and January 31, 2011. A public scoping meeting was held on Thursday, January 13, 2011.

On December 3, 2010, the NOP was released and distributed to over 600 agencies, organizations, individuals, and the California Office of Planning and Research, State Clearinghouse. The NOP was also available in Spanish. Copies of the NOP were posted on the LAHD website: [http://www.portoflosangeles.org/environment/public\\_notices.asp](http://www.portoflosangeles.org/environment/public_notices.asp)

Hardcopies and CDs were also available at the Waterfront Information Center and at public scoping meetings.

Over 70,000 postcards were distributed notifying the public of the date of the scoping meeting and the term of the comment period. Notice of the comment period and public scoping meetings was also posted in five local newspapers: Los Angeles Times, Long Beach Press-Telegram, Daily Breeze, Random Lengths News, and La Opinión. These newspapers

were selected for their circulation and audience. The Los Angeles Times is circulated daily throughout the region and country. The Long Beach Press-Telegram is a daily, local newspaper distributed throughout Los Angeles County. The Daily Breeze is a daily newspaper distributed in South Los Angeles County. Random Lengths News is a free biweekly publication circulated in the communities of San Pedro, Palos Verdes Peninsula, Long Beach, Carson, Harbor City, Lomita, and Wilmington on Thursdays. La Opinión is the largest Spanish-language newspaper in the United States and is circulated daily throughout the region.

The public scoping meeting was held Port of Los Angeles Board Room in San Pedro, California, on January 13, 2011, and took place from 6:00 p.m. to 8:30 p.m. A court reporter was available for attendees to have their comments transcribed during the open house session and the hearing. The meetings were staffed by LAHD and the proposed Project's consultant team. Spanish interpreters were available to accommodate Spanish-speakers. A transcript of the meeting was posted on the LAHD website, and is attached.

The public scoping meeting informational materials were available in English and Spanish. The materials included a welcome sheet to explain the purpose and format of the meeting, a public participation guide to summarize how the public could get involved and provide input, comment sheets, speaker cards, and the NOP/Project Description.

A public hearing on the Draft Environmental Impact Report was held on June 12, 2012. The transcript of this hearing is attached.

There has been no public controversy or objections which have been made concerning this proposed project.

**18. Cumulative Effects**

Please list projects (public and private, whether or not directly related to the proposed project described above) that have occurred or will occur in the past, present, and future in and around the project area that could result in significant cumulative impacts when considered in aggregate with the proposed EDA project. Cumulative impacts result from the incremental impacts of a proposed action when added to other past, present and reasonable foreseeable future actions (40 C.F.R. Section 1508.7). In other words, cumulative impacts can result from individually minor but collectively significant impacts. Based on the direct and indirect impacts identified in Sections C1-18, identify which resources, ecosystems, and human communities are affected; and which effects on these resources are important from a cumulative effects perspective.

A total of 146 present or reasonably foreseeable future projects (approved or proposed) were identified within the general vicinity of the proposed Project that could contribute to cumulative impacts. A corresponding list of the cumulative projects provided by LAHD, the Port of Long Beach, and the LADOT is provided (see pages 4-5 to 4-22 in the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report") Some resource analyses in the Environmental Impact Report use a projection approach encompassing a larger cumulative geographic scope; for those resources a larger set of past, present, and reasonably foreseeable future projects was included for analysis of cumulative

impacts. For the purposes of the EIR, the timeframe of present or reasonably foreseeable future projects extends from 2012 to 2024 (proposed project buildout), and the vicinity is defined as the area over which effects of the proposed Project could contribute to cumulative effects.

### **Cumulative Effects**

See pages 4-22 to 4-139 in the attached "City Dock No. 1 Marine Research Center Project Draft Environmental Impact Report"

The following cumulative effects apply to the entire proposed Marine Research Center/Innovation Campus, of which the infrastructure work described in this application is only a small part.

The proposed Project was analyzed in conjunction with other related projects in the area for potential to contribute to significant cumulative impacts. The proposed Project's incremental contribution would result in cumulatively considerable impacts for the following resource areas:

- Air Quality and Greenhouse Gases
- Cultural Resources
- Noise

The proposed Project would either not result in cumulatively considerable impacts or not result in cumulatively considerable impacts after applicable mitigation is applied for the following resource areas:

- Aesthetics
- Biological Resources
- Geology and Soils
- Groundwater and Soils
- Hazards and Hazardous Materials
- Land Use
- Public Services and Recreation
- Transportation and Circulation—Ground and Marine
- Utilities
- Water Quality, Sediments, and Oceanography

**D. MITIGATION**

Describe methods to be employed to reduce impacts to any and all adverse impacts identified in Section C. List all mitigation measures that would be implemented to minimize impacts to environmental resources from project implementation.

Implementation of this infrastructure work at City Dock No. 1 would result in significant and unavoidable impacts on the following:

- Air Quality and Greenhouse Gases
- Cultural Resources
- Noise

To mitigate these, Best Management Practices (BMP) would be implemented.

**Air Quality and Greenhouse Gases**

The proposed Project would result in construction related emissions and operational emissions that exceed an SCAQMD threshold of significance, as well as offsite ambient air pollutant concentrations during construction that exceed a threshold of significance. To mitigate this, Best Management Practices (BMP) would be implemented including:

- Implement Harbor Craft Engine Standards
- Implement Fleet Modernization for Construction Equipment
- Implement Additional Fugitive Dust Controls
- Implement SCAQMD's Super-Compliant Standard
- Implement the Clean Trucks Program for Construction Haul Trucks
- Implement Best Management Practices
- Implement General Mitigation Measure

The proposed Project would produce GHG emissions that exceed CEQA thresholds. To mitigate this, Best Management Practices (BMP) would be implemented including:

- The Port shall review the feasibility of including the City Dock site on their Inventory of Potential PV Solar Sites at POLA from their December 2007 Climate Action Plan.

**Cultural Resources**

The proposed Project would result in a substantial adverse change in the significance of an historical resource, involving demolition, relocation, conversion, rehabilitation, alteration, or other construction that reduces the integrity or significance of important resources on the site or in the vicinity. To mitigate this, Best Management Practices (BMP) would be implemented including:

- HABS/HAER Recordation of Municipal Pier No. 1 Historic District Setting

### **Noise**

Construction of the proposed Project would last more than 1 day but would not exceed existing ambient exterior noise levels by 10 dBA or more at a noise sensitive use; construction activities lasting more than 10 days in a 3-month period would not exceed existing ambient exterior noise levels by 5 dBA or more at a noise sensitive use. To mitigate this, Best Management Practices (BMP) would be implemented including:

- All construction equipment powered by internal combustion engines will be properly muffled and maintained
- Locate Equipment away from Noise-Sensitive Land Uses
- Utilize Quiet Equipment
- Notify Sensitive Receptors: Cabrillo Way Marina liveaboards will be notified of the construction schedule in writing prior to the beginning of construction.

Implementation of the Marine Research Center/Innovation Campus Project would result in significant impacts that can be mitigated to less than significant on the following:

- Biological Resources
- Hazards and Hazardous Materials
- Land Use and Planning
- Transportation (Ground)

There are no natural terrestrial habitats, including wetlands, or sensitive plant communities in the proposed project study area. Construction activities would not result in a substantial reduction or alteration of a state-, federally, or locally designated natural habitat, special aquatic site, or plant community, including wetlands.

### **Biological Resources**

Construction activities would result in the loss of individuals, or the reduction of existing habitat, of a state or federally listed endangered, threatened, rare, protected, or candidate, or a species of special concern, or the loss of federally listed critical habitat. To mitigate this, Best Management Practices (BMP) would be implemented including:

- Avoid Marine Mammals
- Minimize In-water Pile Driving Noise
- Conduct Nesting Bird Surveys

### **Hazards and Hazardous Material**

Construction and operation of the proposed Project would introduce the general public to hazard(s) defined by the EPA and the Port RMP associated with offsite facilities. To mitigate this, Best Management Practices (BMP) would be implemented including:

- Remove all hazardous materials with flashpoints below 140°F from Mike's fueling station.

### **Land Use and Planning**

Operation of the proposed Project would be inconsistent with the General Plan or adopted environmental goals or policies contained in other applicable plans, which would result in an adverse physical effect on the environment. To mitigate this, Best Management Practices (BMP) would be implemented including:

- Remove all hazardous materials with flashpoints below 140°F from Mike's fueling station.

### **Transportation and Circulation—Ground and Marine**

Construction of the proposed Project would result in a short-term, temporary increase in construction related truck and auto traffic, decreases in roadway capacity, and disruption of vehicular and non-motorized travel. To mitigate this, Best Management Practices (BMP) would be implemented including:

- Develop and implement a Traffic Control Plan throughout proposed project construction.

### **Storm Water**

Impacts to storm water would be minimized through the following BMPs:

- equipment would be inspected regularly (daily) during construction, and any leaks found would be repaired immediately;
- refueling of vehicles and equipment would be in a designated, contained area;
- drip pans would be used under stationary equipment (e.g., diesel fuel generators), during refueling, and when equipment is maintained;
- drip pans would be covered during rainfall to prevent washout of pollutants; and
- appropriate containment structures would be built and maintained to prevent offsite transport of pollutants from spills and construction debris
- the project will involve the use of bioswales and implementing water quality and conservation design features in the final design to help ensure water quality impacts are minimized during construction at the water's edge and in the water.

### **Maintenance**

Minor maintenance of the infrastructure improvements may occur during the operation of the site, but would not entail any ground disturbing activities.

E. **LIST OF ATTACHMENTS**

The following checklist is a list of required and optional attachments to the Environmental Narrative as described in the sections above. The items listed in the optional section may be required by EDA at a later date to complete the project review and selection process, so it is recommended that you provide them now if they are currently available. While the documents listed below are the most frequently required for scoping determinations, EDA reserves the right to request additional items that are not listed below when necessary.

Applicants are not required to contact other governmental agencies for environmental or historical resources consultation until directed by EDA, though any interagency coordination letters that may be currently available should be provided. **EDA expects that all Applicants whose projects are selected for further evaluation will proceed with consultations in an expeditious manner. As such, Applicants should have the required information prepared for submission immediately upon notification of selection by EDA.** If you determine prior to application that your project may affect environmental or historical resources, you may contact the appropriate Regional Environmental Officer to determine if early interagency consultation is appropriate.

Please refer to the applicable Federal Funding Opportunity for unique requirements for each individual grant competition and a list of documents required for submittal with the application.

**Checklist of Optional Environmental Documents that should be submitted with Application if available (will expedite review and selection process):**

- SHPO/THPO and Tribal leader comments and copy of submittals (see Section B)
- ✓ Site photographs (see Section C1)
- Coastal Zone consistency determination (see C2)
- Wetland delineation and/or Jurisdictional Determination (see C3)
- Preliminary wetland info (see C3)
- U.S. Army Corps of Engineers comments, Section 404 Permit, Section 10 Permit, and/or Water Quality Certification (401 approval) (see C3)
- Biological Assessment and/or survey for federally protected species (see C5)
- Correspondence with US Fish and Wildlife Service and/or National Marine Fisheries Service (see C5)
- Natural Resources Conservation Service determination of Prime Farmland, Form AD-1006, if applicable (see C6)
- ✓ Phase I and II Environmental Site Assessment (see C8)
- Sole Source Aquifer review by US Environmental Protection Agency, if applicable (see C9)
- Other federal, state and local environmental permits (see C16)
- Copies of public notices, public hearing minutes, etc. (see C17)

**Appendix A: Applicant Certification Clause**

The applicant represents and certifies that it has used due diligence to determine that the description of the project site described herein is accurate with respect to the presence or absence of contamination from toxic and hazardous substances. The term "site" includes the entire scope of the project, including future phases of the project and all areas where construction will occur.

1. Is the site currently, or has it in the past 50 years, been used for any of the following operations or activities:

*The survey area is assumed to be the "interim use" area for the AltaSea project at Berths 56-50 only.*

- a. Generation of hazardous substances or waste?

Yes  No

*Any hazardous substances or waste would be primarily spent blast waste from San Pedro Boatworks Dry dock operations. The ship yard operations ceased in 2002.*

- b. Treatment, storage (temporary or permanent), or disposal of solid or hazardous substances or waste?

Yes  No

- c. Storage of petroleum products?

Yes  No

*In limited quantities ancillary to normal operations.*

- d. Used/waste oil storage or reclamation units?

Yes  No

*In limited quantities ancillary to normal operations.*

- e. Research or testing laboratory?

Yes  No

- f. Ordinance research, testing, production, use, or storage?

Yes  No

- g. Chemical manufacturing or storage?

Yes  No

**Appendix A: Applicant Certification Clause**

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h. Weapons or ammunition training, use, or testing?

\_\_\_\_\_ Yes  X  No

i. Iron works/foundry?

\_\_\_\_\_ Yes  X  No

j. Railroad yard?

\_\_\_\_\_ Yes  X  No

k. Industrial or manufacturing operation?

X  Yes \_\_\_\_\_ No

***Warehousing and boat repair.***

If any of the above operations ever occurred at the site, and if appropriate cleanup or other mitigation actions were performed in accordance with the local, State, and federal laws, please attach documentation of these actions.

2. Do wells draw from an underlying aquifer to provide the local domestic water supply?

\_\_\_\_\_ Yes  X  No

3. Has a federal, State, or local regulatory authority ever conducted an environmental assessment, environmental impact statement, or a preliminary assessment/site inspection, or similar environmental surveyor inspection report at the site? If yes, please list here and attach copies of these reports or results.

\_\_\_\_\_ Yes  X  No

***I am unaware of any such environmental studies or site inspections being conducted at this site.***

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_

**Appendix A: Applicant Certification Clause**

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4. Have any environmental or OSHA citations or notices of violation been issued to a facility at the site? If yes, please attach copies.

\_\_\_\_\_ Yes  X  No

***I am unaware of any Notices of Violation Issued to a facility at this site.***

5. Have any unauthorized releases of hazardous substances occurred at any facility at the site which resulted in notification of the EPA's National Response Center?

\_\_\_\_\_ Yes  X  No

***I am unaware of any NRC notifications at the facility or site.***

6. Is any material containing asbestos or lead paint located at the site? If yes, please attach information concerning State and federal regulatory compliance.

X  Yes \_\_\_\_\_ No

***Any removal of lead-based paint or asbestos will be treated handled accordingly during the construction process.***

7. Is there any equipment (electrical transformers, etc.) containing polychlorinated biphenyls (PCB) on the site? If yes, please attach a description of the equipment.

\_\_\_\_\_ Yes  X  No

***I am unaware of any PCBs at the site.***

8. Are there underground or above ground storage tanks on the site? If yes, please attach a detailed description, including the number of underground storage tanks on the site, whether the tanks have been inspected (or removed) and the results of such inspections.

\_\_\_\_\_ Yes  X  No

***I am unaware of any underground storage tanks at the site.***

9. Has the site been tested for radon? If yes, please attach results.

\_\_\_\_\_ Yes  X  No

10. Have there been, or are there now any environmental investigations by federal, State or local government agencies that could affect the site in question? If yes, please attach available information.

**Appendix A: Applicant Certification Clause**

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\_\_\_\_\_ Yes   X   No

The applicant acknowledges that this certification regarding hazardous substances and/or waste is a material representation of fact upon which EDA relies when making and executing an award. EDA reserves the right to terminate any award made in conjunction with the representations contained herein if, at any time during the useful life of the project, EDA becomes aware of the presence of hazardous materials or waste at the site, or that hazardous materials or waste have been inappropriately handled thereon.

Further, if it is determined at any time that the presence of hazardous materials or waste, or handling thereof, has been misrepresented, EDA may pursue other available legal remedies against the applicant.

Los Angeles Harbor Department

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Applicant's Name

Christopher Cannon, Director of Environmental Management and Chief Sustainability Officer

Name and Title of Applicant's Authorized Representative

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Signature of Applicant's Authorized Representative

Date

**ED-900E**

**Calculation of Estimated  
Relocation and Land Acquisition  
Expenses**



# ED-900E – Calculation of Estimated Relocation and Land Acquisition Expenses

- a. Are relocation expenses part of the proposed project's EDA budget?  Yes  No
- b. Will the proposed project cause the displacement of individuals, families, businesses or farms?  Yes  No

If **Yes**, explain how relocation procedures will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1990 (13 C.F.R. § 302.5 ; see Certification #11 on Form SF-424D, 'Assurances - Construction Programs', for an explanation of this requirement.)

All applicants must complete the "Calculation of Estimated Relocation and Land Acquisition Expenses" form (below), and enter the estimated total for "costs incidental to land acquisition" (line item 1) on line item 3 ("relocation expenses and payments") of Form SF-424C, 'Budget Information - Construction Programs.' This is separate from the estimated purchase price of the property.

ITEM 1. COSTS INCIDENTAL TO LAND ACQUISITION - ESTIMATES	
Number of land transactions involved (including options, easements and rights-of-way):	
Recording fees, transfer taxes, surveys, appraisals, title search and similar expenses-Section 303(1)	
Penalty costs-Section 303(2)	
Real Property taxes-Section 303(3)	
Litigation expenses-Section 304(a)	
Total - Estimated costs incidental to transfer of title	
ITEM 2. RELOCATION - ESTIMATES	
a. TENANTS - Estimates: Number of Claims	
(1) Moving Expenses:	
Actual Expenses-Section 202(a)(1)	
In lieu payments-Section 202(b)	
Total - Moving Expenses	
(2) Replacement housing payments:	
Rental payments-Section 204(1)	
Down payment-Section 204(2)	
Total - Replacement housing payments	
Total - Estimated Tenants	

<b>b. OWNER-OCCUPANTS - Estimates: Number of Claims</b>	
<b>(1) Moving Expenses:</b>	
Actual Expenses-Section 202(a)(1)	
In lieu payments-Section 202(b)	
Total - Moving Expenses	
<b>(2) Replacement housing payments:</b>	
Purchase payments-Section 203(a)(1)	
Reasonable replacement costs-Section 203(a)(1)(A)	
Increased interest costs-Section 203(a)(1)(B)	
Closing costs-Section 203(a)(1)(C)	
Rental payments-Section 204(1)	
Down payment-Section 204(2)	
Total - Replacement housing payments	
Total - Estimated Owner-Occupants	
<b>c. BUSINESS - Estimates: Number of Claims</b>	
<b>Moving Expenses:</b>	
Actual Expenses-Section 202(a)(1)	
Actual loss of tangible personal property-Section 202(a)(2)	
Actual searching expenses-Section 202(a)(3)	
In lieu payments-Section 202(c)	
Total - Estimated Business	
<b>d. NONPROFIT ORGANIZATIONS - Estimates: Number of Claims</b>	
<b>Moving Expenses:</b>	
Actual Expenses-Section 202(a)(1)	
Actual loss of tangible personal property-Section 202(a)(2)	
Actual searching expenses-Section 202(a)(3)	
In lieu payments-Section 202(c)	
Total - Estimated Nonprofit Organizations	
<b>e. FARM OPERATIONS - Estimates: Number of Claims</b>	
<b>Moving Expenses:</b>	
Actual Expenses-Section 202(a)(1)	
Actual loss of tangible personal property-Section 202(a)(2)	
Actual searching expenses-Section 202(a)(3)	
In lieu payments-Section 202(c)	
Total - Estimated Farm Operations	
<b>f. ADVISORY SERVICES - Estimates: Number of Claims</b>	
Total - Expenses of grantee/borrower-Section 205	

<b>g. ADMINISTRATION - Estimates: Number of Claims</b>	
Contracting with individual, firm, association, or corporation-Section 212	
Agreement w/ Federal or State government agency or instrumentality-Section 212	
Total - Estimated Administration	
<b>ITEM 3. GRAND TOTAL</b>	
Enter the sum of Items 1 and 2 (parts (a) through (g)) in this Item	
<b>GRAND TOTAL RELOCATION EXPENSES</b>	

**ED-900P**

**EDA Proposal Form**



# ED-900P – Proposal for EDA Assistance

Please answer all questions completely and accurately and provide a concise narrative statement for each of the questions below. Should you choose to submit the information in a separate document, the proposal narrative should be no more than five (5) pages in length. Please refer to the form instructions for additional information on each section. Applicants are encouraged to contact an EDA representative for assistance in preparing this proposal.

## I. All Projects

### I.A. General Information

Please identify all applicants for this project:

	Name	SAM.gov CAGE Code	SAM.gov Registration Expiration Date
Lead Applicant	AltaSea at the Port of Los Angeles	7FFX5	08/10/2016

#### I.A.1. Description of applicant and co-applicants

AltaSea at the Port of Los Angeles ("AltaSea"), a California 501c3 public benefit corporation, is submitting this grant request as the site lessee and applicant in partnership with the Port of Los Angeles Harbor Commission as the site lessor and co-applicant. In 2014, the Harbor Commission granted AltaSea a 50 year lease to develop and manage the operation of a marine technology innovation campus on a 35.62 acre section at the Port of Los Angeles' City Dock No. 1, which includes Berths 56-60 and 70-71. AltaSea convened a group of top business leaders, civic leaders and philanthropists to create a Board of Trustees for the oversight of the organization, construction and the capital campaign for the campus. The project implementation will be driven by AltaSea's visionary Board of Trustees, committed staff, and advisors. The AltaSea team and daily operations are directed by the leadership of Jenny Krusoe, Executive Director of AltaSea, along with a dedicated management team. The Board of Trustees retained the consultancy of Gensler to serve as design architect to implement the Master Plan for the AltaSea campus; Freeman & Associates as the construction manager to handle the permitting, bidding and construction oversight; the Los Angeles Economic Development Corporation to facilitate the development of the operations plan and economic development platform; and the Kosmont Companies to develop the job creation and performance measurement strategies.

#### I.A.2. Description of the region

AltaSea has defined its primary region to be the County of Los Angeles, which has the largest population of any county in the U.S. (approximately 10 million). The County has a diverse economic base and is home to a

dynamic workforce of almost four million, producing a gross regional product estimated to be \$544 billion. Built upon the advanced technical research capabilities in the County, the region's burgeoning high tech "new economy" employed more than 368,500 people in 2013, more than any other metro region in the nation, making the County an ideal location for a state-of-the-art marine technology center such as AltaSea. The project site is located at the Port of Los Angeles in the community of San Pedro within the City of Los Angeles, 20 miles south of downtown Los Angeles, which was once home to a massive shipbuilding industry, a large commercial fishing fleet and a working cannery row. The introduction of containerization in 1950 and changes in the fishing and cannery industries resulted in disuse of many vital sections of the Port, resulting in the overall decline of property, vacation of many industries and a mass exodus of jobs. City Dock No. 1, constructed in 1913, had successfully positioned the Port of Los Angeles to support production activities during both WWI and WWII. However, due to the decline of key local industries its functional use declined and the buildings remained vacant for decades.

### I.A.3. Description of complete EDA project

Upon its final completion, AltaSea's entire state-of-the-art Innovation Campus will consist of a Business Hub, Science Hub, Education Hub, outdoor recreational space that includes a public harbor promenade, a café, and a verdant landscape. An EDA investment award would fund the installation of a portion of the structural support required for City Dock No. 1, new subsurface utilities, accessible hardscape, restrooms and signage infrastructure. The improvements will be installed in the right-of-way on Signal Street abutting the 12-foot buffer surrounding Berths 58, 59 and 60 which will comprise the planned 120,000 sq. ft. Phase 1a companion Business Hub facilities and storage space. The investment would essentially modernize the obsolescent infrastructure at City Dock No. 1 and make it possible for beneficiary Business Hub entrepreneurs to sufficiently access the public utilities required for code compliant and specialized marine technology operations. Specific construction elements will include:

- Demolition of railroad tracks, existing concrete and grub earthwork.
- City Dock No. 1 Foundation structural reinforcement with 20 mooring piles and fendering.
- Modular Restroom facility installation including ramps and landings for each Berth.
- Water and Sewer line upgrade and expansion to serve the Berths and restroom modular units.
- Power and Communication Line rough electrical and conduit installation to bring power and communication capacity to Business Hub and restroom facilities.
- Hardscape, Ramps and Stair concrete work to create steps and ADA access ramps with steel handrails for each Berth.
- Asphalt Paving with striping and signage for 83 parking spaces and 186 bicycle slots.
- Perforated Steel Signage Panels for external information and directional signs with branding screens and painted graphics for each Berth.

AltaSea seeks revolutionary approaches to ocean-related sustainability issues by bringing together the best minds in science, business and

education to generate innovative solutions to the global challenges of sustainability. AltaSea will leverage the EDA investment to activate the functional capacity of the Business Hub companion facilities to provide flexible space and create a network of collaborations and resources for emerging and existing marine related entrepreneurial ventures that seek to commercialize scientific breakthroughs and emerging technologies. The Business Hub will spur development of advanced ocean-related products that will create new high-wage jobs and sustainable economic opportunities in the Los Angeles region. The structural reinforcement of the dock will enable Business Hub ventures to safely house specialized equipment such as water tanks and light assembly machines as well as take advantage of direct access to a 30-foot deep channel that connects to the Port of Los Angeles and the ocean beyond. Additionally, the new infrastructure improvements will enable collaborative efforts to be hosted in the companion Business Hub through state-of-the-art technologies:

- Live streamed round table forums with public agencies engaged in energy, water management, waste management and environmental mitigation issues as well as business development in sectors such as aquaculture, renewable energy, fishery and tourism.
- Live streamed and interactive workshops and presentations discussing marine industry research, ocean management plans, best practice business models, venture capital investor strategies and commercialization efforts.
- Searchable and interactive branding and marketing publications and status reports highlighting AltaSea based business ventures business concepts and aligned ocean management goals.
- Online case managed facilitation of legal and marketing technical assistance for each Business Hub entrepreneur in partnership with agencies such Kleiner, Perkins, Caufield and Byersas PortTechLA, IdeaLab and the Los Angeles Chamber of Commerce
- Online applications for venture capital matching with technology, science and marine investment firms such as Tylt Ventures, Avalon Ventures, DAG Ventures, NEA Enterprise Associates, Mohr Davidow Ventures, Google Ventures, Hercules Technology Growth Capital, Science Inc. as well as SCMI partner university based accelerators such as the UCLA Summer Accelerator Program and the USC Viterbi Startup Garage.
- Staging of big screen and virtual public access science presentations and educational forums for K-12 district and charter public schools.

#### I.A.4. Need for the project

According to the County of Los Angeles' Comprehensive Economic Development Strategy (CEDs), the County is in need of additional high-wage job creating businesses, job retention activities, and industry specific education and job training. AltaSea will diversify job opportunities and bring higher wage and skilled labor to an area that has not been able to compete with other regions that attract technical and science industry professionals. The Business Hub will catalyze the creation of products, services and jobs in areas such as ocean robotics, algae fuels, aquaculture and wave energy and increase opportunities for local residents to access living wage jobs in an area with a per capita income that is 49% below the national average. AltaSea has also formed a working partnership with PortTechLA to provide a STEM (Science Technology Engineering Math) career and entrepreneurial opportunities program for underserved youth.

The new infrastructure improvements funded by an EDA grant would make it possible for the Business Hub at AltaSea to provide a state-of-the-art habitat to collaborate innovative research efforts emanating from the 13 member universities comprising the Southern California Marine Institute (SCMI) with entrepreneurs and investors seeking to take ocean-related technologies and blue economy ventures to market. Alongside established ocean industries, emerging and new industries such as offshore renewable energy, aquaculture, deep seabed mining, marine biotechnology, solid waste assimilation and eco-tourism are bringing new opportunities, growth and greater diversity to the ocean economy. AltaSea will leverage market development efforts by bringing together leadership from entities such as the Los Angeles River Corporation, the County of Los Angeles Economic Development Division, the National Ocean Economic Program and the Economist Intelligence Unit to source critical issues and develop integrated strategies to drive solutions through private ventures and investment.

AltaSea is an exemplary public private partnership that has already received a \$25 million seed grant and \$20 million challenge grant from the Annenberg Foundation and a \$57 million commitment from the Port of Los Angeles Harbor Commission. AltaSea will pursue federal funding from the HUD Community Development Block Grant (CDBG) program for business development services and equipment. AltaSea based ventures will also be submitted to the US Office of Community Services (OCS) Community Economic Development grant program for equity investments. The Science and Educational Hubs are also prime for U.S. Department of Treasury, New Market Tax Credit (NMTC) capital funding. The Phase 1a Business Hub has already attracted leading innovation companies that have public private partnerships with federal agencies such as the US Army Corp of Engineers which granted the first offshore aquaculture permit along with the California Coastal Commission to Catalina Sea Ranch. This venture supports the goals of the National Oceanic and Atmospheric Administration (NOAA) National Shellfish Initiative to increase commercial shellfish aquaculture while improving ecosystem health.

With a per capita income of only \$14,418 within a ½ mile radius of the project site and only \$18,547 in surrounding neighborhoods, local residents are clearly underserved, lacking access to living wage job opportunities and experiencing severe economic distress. The growth of a revitalized and new economy at the Port of Los Angeles will require a skilled labor force with the capacity to work across diverse industries and technologies in order to be competitive in the global economy. Industry-specific job training programs will be developed and offered in partnership with agencies such as the City of Los Angeles Economic & Workforce Development Department.

#### **I.A.5. Basis of economic distress cited for eligibility**

Over the past five years, the County's unemployment rate has consistently remained above the national level. This trend has continued through 2015. For the 24-month period ending October 31, 2015, the unemployment rate in the County of Los Angeles was 6.2%, 1.2 percentage points above the national unemployment rate. The unemployment rate in the City of Los Angeles for the same period was 6.3%, 1.3 percentage points above the

national unemployment rate.

At \$27,488, the per capita income in the County is 98% of the \$28,155 national average.

The Port of Los Angeles and the communities directly adjacent to the Port including San Pedro, Wilmington, Harbor City and Watts, which comprise City of Los Angeles Council District 15 and 250,000 residents, have experienced lingering challenges from the last economic downturn, more so than the County of Los Angeles as a whole. At \$27,829 per capita income, residents in the City of Los Angeles are garnering slightly higher incomes when compared to County residents. However, when you examine income estimates from the U.S. Census Bureau for the half-mile radius surrounding the project site, \$14,418 or 51% of the national average, and within Council District 15, \$18,547 or 66% of the national average, the incomes drop dramatically, demonstrating a high level of economic distress.

#### I.A.6. Description of documentable impact

The EDA infrastructure investment will help create the necessary operating capacity for the companion Business Hub site to serve as an anchor and catalyst to create blue economy science and technology jobs through new enterprise formation and existing business expansion. With its 120,000 square foot Phase 1a facility, the Business Hub will initially bring up to a half-a-dozen businesses with an estimated 75 jobs in Year 2 following completion of construction. Based on continued marketing to new tenants, we expect the Business Hub to be home to as many as 120-130 jobs by year 3, 140- as well as growth 150 jobs by Year 4, 170-180 jobs by year 5, at which point the Phase 1a facility should be 85% to 90% leased. Following the opening of Phase 2 in year 5, we would expect continued growth in employment from Phase 1a tenants to yield a total of 200-220 jobs by year 6, 230-250 jobs by Year 7 and 260-280 jobs by year 8. Additional growth within existing businesses should yield 300-320 jobs by year 9.

Proposed tenants include: Boeing Advanced Technology is a division of Boeing with 500 staff that specializes in electronic systems for the marine environment has a potential to occupy of up to 60,000 sq. ft. over 10 years. Blue Robotics specializes in manufacturing components for underwater remote. They are expecting to lease 5,000 sq. ft. and initially employ 10-15 people then grow to 20-25 people within 5 years. SpaceX is developing space vehicles to launch from Edwards AFB and carry ordinary people into near earth orbit. They expect to have as many as 50 people onsite for each vessel recovery and require up to 20,000 sq. ft. PortTechLA is a non-profit technology center and business incubator founded by the San Pedro and Wilmington Chambers of Commerce to create more "green collar" jobs in the Port area to replace the loss of fishing, canning and other maritime industries. They currently have 25 client companies that employ 75 to 100 staff. PortTechLA will expand its business model to solicit and support marine-based technology companies and require up to 30,000 sq. ft. over the next 5 years. Catalina Sea Ranch, LLC, an aquaculture company based in San Pedro and Catalina Island, will expand its 100-acre mussel ranch to over 1,000 acres in order to cultivate other sustainable filter-feeding shellfish crops. They will seek 5,000 to 10,000

sq. ft. of space

\$102 million has already been committed from public and private sources including \$45 million from the Annenberg Foundation for Phase 1 a, b and c and \$57 million from the Port of Los Angeles Harbor Department. According to a report conducted by Battelle Los Angeles, there is evidence that the existing limited access to venture capital in the County of Los Angeles is one of several factors driving companies to locate their bioscience or life science startups in other regions, despite the fact that Southern California universities are leading producers of advanced degree scientists and technicians. The lack of pipeline innovations and opportunities to commercialize technologies create a net loss of human and investment capital in the Los Angeles County region. AltaSea will help fill this gap by creating a state-of-the-art facility solely dedicated to establishing strong links between universities and the industry to advance innovation development as well as collaborations to foster the commercialization of university-based research and marine technology ventures. The private companies that establish lease space in the AltaSea Business Hub will expend capital resources to build-out their specialized tenant improvements as well as to fund expenses such as staffing, prototype development, branding and marketing. AltaSea will work to attract leading technology, science and marine venture capital firms such as Tylt Ventures, Avalon Ventures, DAG Ventures and Mohr Davidow Ventures to provide investments into AltaSea based businesses.

#### **I.A.7. Funding and cost share matrix**

The total project cost is estimated to be \$8,902,376. AltaSea is requesting \$3 million from EDA, 33.69% of the total project cost. Committed funding immediately on hand from the \$25 million seed grant AltaSea received from the Annenberg Foundation in July 2014 will provide the required \$3 million cost sharing contribution and the remaining \$2,902,376 for the infrastructure project. There are no conditions or restrictions on the use of the Annenberg funds. Additional leveraged funding includes a \$57 million capital investment from the co-applicant, Port of Los Angeles Harbor Commission, to structurally shore-up the portion of City Dock No. 1 that extends out over the ocean.

#### **I.A.8. Description of any known environmental concerns or public controversy**

There is no known public controversy in relation to this proposed project. The Draft EIR was distributed to the public and regulatory agencies on May 24, 2012 for a 45-day review period. Approximately 32 printed and 994 digital copies (CD) of the Draft EIR were distributed to various government agencies, organizations, individuals and Port tenants. The Los Angeles Harbor Department also conducted a public hearing regarding the Draft EIR on June 12, 2012 to provide an overview of the proposed Project and alternatives and to accept public comments on the proposed Project, alternatives, and environmental document. The Draft EIR was also available in its entirety on the Port of Los Angeles website. None of the comments received resulted in controversy.

The EIR only needed minor changes based on comments received, including:

- Clarification of Mitigation Measure MM AQ-1 related to engine requirements for harbor craft used during construction.
- Enhancement of Mitigation Measure MM AQ-4 related to reducing VOC emissions to include cleaning products;
- Correction of summary of AQ-2 "Impacts after Mitigation" to accurately summarize the findings in Draft EIR AQ-2 air quality analyses; and
- Clarification of the Project Vicinity figures.

There are no known environmental concerns in relation to the project location.

I.A.9. Have you reviewed and considered the federal regulations that govern EDA awards, including EDA's regulations at 13 C.F.R. Chapter III and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200?

Yes       No

## II. Construction Projects and Design and Engineering Only Projects

### II.A. Property Requirements

II.A.1. Briefly describe plans for the ownership, operation, maintenance and management of project facilities, including any land, improved land, structures, appurtenances thereto, other improvements or personal property.

In 2014, the Port of Los Angeles Harbor Commission granted AltaSea a 50-year lease to develop and manage the operation of its Marine Technology Innovation Campus. The lease was initially executed by Rockefeller Philanthropy Advisors, Inc. as the fiscal agent for AltaSea and was transferred in full to the organization upon approval of its 501c3 public benefit designation from the Internal Revenue Service. The leasehold consists of 24.12 acres of land, wharf and warehouses including Berths 56 through 60 and 70 and 71 and 11.5 acres of space over water, for a total leasable area of 35.62 acres in the San Pedro Waterfront on City Dock No. 1. Parking is allocated to the project, but is not part of leasehold. The proposed project site is bounded by the East Channel to the west, the Main Channel to the east, 22nd Street to the north and the open water of the San Pedro Bay to the south. Local access to the site is provided through 22nd Street and Sampson Way.

II.A.2. Will real property or project facilities to be acquired or improved with the EDA investment assistance be owned, operated, managed or maintained by an entity other than the proponent?

Yes (explain below)       No

II.A.3. Is or was any real property connected to the proposed project subject to eminent domain proceedings?

Yes (explain below)       No



## II.B. Environmental Requirements

### II.B.1. Briefly describe the project site's physical attributes, including a description of any known sensitive environmental areas.

Berths 70-71 (Westway Terminal Site) are considered a hazardous cargo facility under the Port's Risk Management Plan (RMP). A demolition and remediation strategy is being developed in coordination with the Regional Water Quality Control Board (RWQCB). Completion of a full site characterization study and remedial action design, and an evaluation of future land-use restrictions would occur after demolition of the aboveground storage tanks. Once remediation and restoration activities at Berths 70-71 are completed, construction would begin in this area of the project.

No known prehistoric or historical archaeological sites are located within the proposed project area. Two archaeological sites, CA-LAN-145 and CA-LAN-1129H, have been previously identified within a 0.5-mile radius of the proposed project area. The proposed project area encompasses one architectural property, Municipal Warehouse No. 1, 2500 Signal Street, which was listed on the National Register of Historic Places on April 21, 2000 and is listed on the California Register of Historical Resources. Transit Shed, Berth 57 and Transit Shed, Berths 58-60 were determined to be significant in a historical resources survey. Municipal Pier No. 1 and its associated structures appear to meet NRHP criteria individually, and as a potential historic district. Westway/Pan-American Oil Company Pump House was determined to be historically significant by the Lead Agency.

Municipal Warehouse No. 1 (Municipal Warehouse No. 1 is not in the leasehold) was listed on the National Register of Historic Places in 2004. In addition, Municipal Pier No. 1 is eligible as a historic district. The proposed Project would result in significant impacts on the historic Municipal Warehouse No. 1 and the eligible Municipal Pier No. 1 historic district. The impacts would not result from direct physical changes to the structures themselves, but rather as indirect effects from the introduction of a five-story, 100,000-square-foot building for the wave tank facility. Impacts would occur because the building would be incompatible with the historic setting and affect the integrity of the existing historic building and district. Prior to construction of the wave tank and undertaking the Berths 57-60 wharf upgrades and ground improvements, the Port of Los Angeles Harbor Department will record the existing setting of the Municipal Pier No. 1 Historic District. This will include recordation of the western elevation of the wharf, in accordance with the federal Historic American Building Survey/Historic American Engineering Record (HABS/HAER) program. This program consists of large-format, black and white photographs, preparation of a historic resources report, and archiving of both at local repositories of historical information.

### II.B.2. Attach maps of the project site (such as Google maps or other readily available maps) with project components and beneficiaries clearly indicated.

AltaSea Maps and Project Pl

Add Attachment

Delete Attachment

View Attachment

II.B.3. Has an Environmental Impact Statement, Environmental Assessment, or other similar analysis been completed for this proposed project or for other activities in the region?

Yes (provide the date/name of organization that completed the analysis)  No

Date

10/18/2012

Organization Name

Los Angeles Harbor Dept. Environmental Management Div.

# Instructions for Form ED-900P

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## I. All Projects

### I.A. General Information

#### I.A.1. Description of applicant and co-applicants

Identify and describe entities responsible for the proposed project, including, for construction projects, any entity that will own, operate, maintain or manage project facilities, including any land, improved land, structures, and appurtenances thereto.

#### I.A.2. Description of the region

Describe the region where the project will be located, including the specific geographic location of the project within the region. Briefly describe the economic conditions of the region where the project will be located—for example, the economic adjustment problems or severity of the economic dislocations the region has experienced or is about to experience.

#### I.A.3. Description of complete EDA project

Describe the complete scope of work and the components of the proposed investment. The description of the proposed project should include a clear statement of the overall purpose of the project as well as information about new development resulting from the EDA project or proposed by any identified beneficiary.

#### I.A.4. Need for the project

Briefly describe the economic development needs that will be met by the proposed investment, including how the proposed investment will address the economic distress identified in question I.A.5. Applicants must clearly detail how the proposed project will support the economic development needs and objectives outlined in the Comprehensive Economic Development Strategy (CEDS) or alternate EDA-approved strategic planning document capable of meeting EDA's CEDS or strategy requirements. The applicants should also highlight any instances where the proposed project will integrate or further leverage other federal support. This could include complementing projects funded through other grant programs (i.e. TIGER, CDBG). If EDA does not already have the applicable plan, the applicant may be required to provide it. Additional information and a summary of EDA's CEDS and strategy requirements may be obtained through your EDA representative.

#### I.A.5. Basis of economic distress cited for eligibility

Identify the region that will be used as a basis for eligibility and under which distress criterion or criteria the project qualifies:

- a. **Unemployment rate:** The project is located in a region that has an unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point above the national unemployment rate.
- b. **Per capita income:** The project is located in a region that has a per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capita income.
- c. **Special need:** The project is located in a region that has experienced or is about to experience a "Special Need" (as defined in 13 C.F.R. § 300.3) arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions. See applicable FFO for Special Need Criteria.

### **I.A.6. Description of documentable impact**

Clearly describe the long-term potential economic impact of the proposed project including jobs created or saved and private investment to be leveraged by the proposed project.

### **I.A.7. Funding and cost share matrix**

Identify the source, nature and amount of all non-EDA funds/financing for the proposed project. Identify any entity providing cost share regardless of status as an applicant or co-applicant. Explain the status of funding commitments including when the funds will be available and describe any conditions or restrictions on the use of such funds.

### **I.A.8. Description of any known environmental concerns or public controversy**

Please identify or disclose information relative to any known public controversy in relation to the proposed project, project location or identified beneficiaries. If applicable, please also describe any known environmental concerns in relation to the project location and the location of any identified beneficiary.

### **I.A.9. Have you reviewed and considered the federal regulations that govern EDA awards, including EDA's regulations at 13 C.F.R. Chapter III and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200?**

Please respond Yes or No. A link to EDA's regulations may be found on EDA's website at [www.eda.gov](http://www.eda.gov); the Code of Federal Regulations may be found at [www.ecfr.gov](http://www.ecfr.gov).

## **II. Construction Projects and Design and Engineering Only Projects**

### **II.A. Property Requirements**

#### **II.A.1. Briefly describe plans for the ownership, operation, maintenance and management of project facilities, including any land, improved land, structures, appurtenances thereto, other improvements or personal property.**

Describe who will own, operate, maintain and manage the project facilities, including any land, improved land, structures, appurtenances thereto, other improvements or personal property related to the project.

#### **II.A.2. Will real property or project facilities to be acquired or improved with the EDA investment assistance be owned, operated, managed or maintained by an entity other than the proponent?**

Please respond Yes or No. If Yes, please identify who will own, operate, or maintain the project facilities and that entity's relationship, if any, to the proponent. See 13 C.F.R. § 314.7.

#### **II.A.3. Is or was any real property connected to the proposed project subject to eminent domain proceedings?**

Please respond Yes or No. If Yes, please briefly describe the eminent domain proceedings, including date of acquisition and identified rationale for the action.

## **B. Environmental Requirements**

### **II.B.1. Briefly describe the project site's physical attributes, including a description of any known sensitive environmental areas.**

Please provide a description of any known sensitive environmental areas, including contaminated or potentially contaminated sites, archaeological sites, cultural resources, historical properties or sites listed on the National Register of Historic Places, and wetlands that may be impacted by the project or that are adjacent to the project site.

### **II.B.2. Attach maps of the project site (such as Google maps or other readily available maps) with project components and beneficiaries clearly indicated.**

Attach maps that are already available and do not require additional expense to obtain or produce. Please note that you will be required to submit U.S. Geological Survey (USGS) maps and Federal Emergency Management Agency (FEMA) floodplain maps as part of the complete application if your project is considered in Phase II; however these types of maps are not required at the proposal stage.

### **II.B.3. Has an Environmental Impact Statement, Environmental Assessment, or other similar analysis been completed for this proposed project or for other activities in the region?**

Please respond Yes or No. If Yes, please indicate the date on which the statement or analysis was completed and by whom. Please note that this question is simply asking that you identify whether any such statement or analysis has already been completed and when; an environmental impact statement for your project is not required at this time.

# City Dock No. 1 Redevelopment Site

Santa Monica

Downtown LA

The Palos Verdes  
Peninsula

The Port

of  
Los Angeles

The Port of  
Long Beach

City Dock No. 1

Transmittal 1









AltaSea  
300 West 10th  
San Francisco, CA 94111

**Gensler**  
100 California Street, Suite 500  
San Francisco, CA 94111  
Tel: 415.774.2500  
Fax: 415.774.2501  
www.gensler.com

Project Name: **ATYASSA INTERIM PHASE**

Project Number: **02.1401.001**

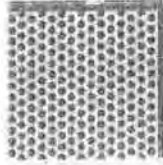
Project Location: **ATYASSA INTERIM PHASE**

Project Status: **SCHEMATIC DESIGN**

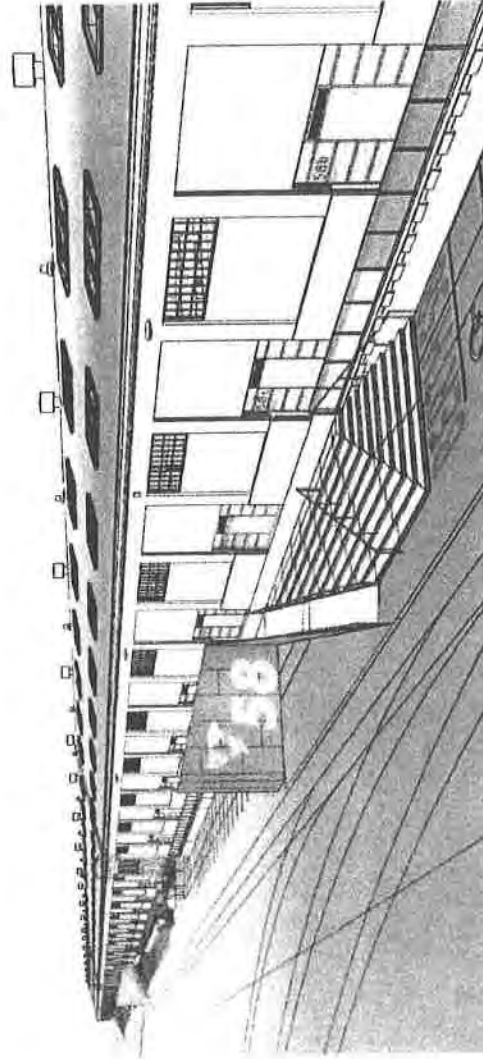
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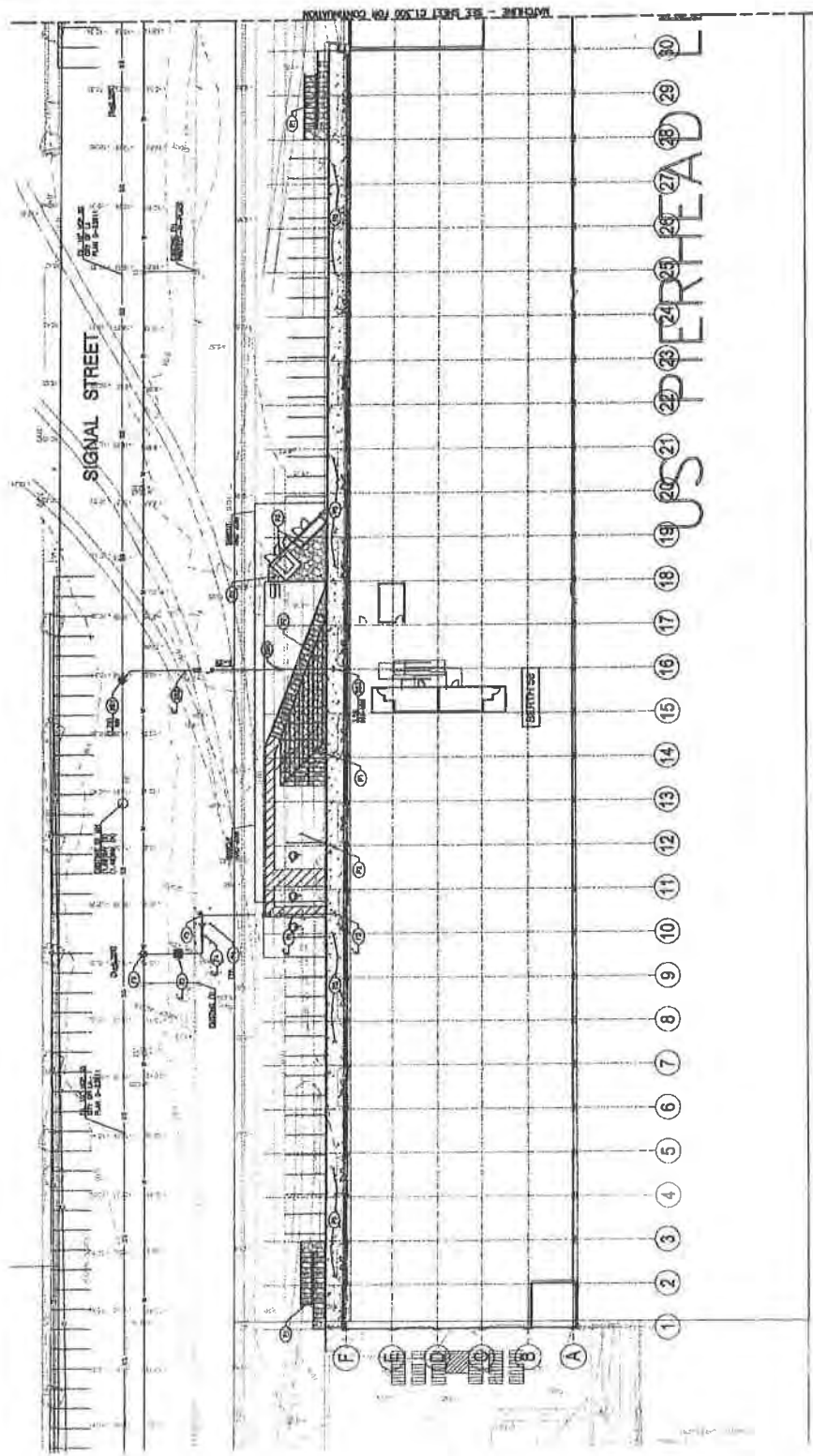
Sheet Number: **G0.204**

Revision: **01**



PHOTOGRAPH BY GENSLER ARCHITECTS  
RENDERING BY GENSLER ARCHITECTS





**CONSTRUCTION NOTES**

1. REFER TO CITY OF ANCHORAGE PLAN 3-116-L FOR ALL UTILITY LOCATIONS.
2. ALL UTILITY LOCATIONS SHALL BE SHOWN AS SHOWN ON THIS PLAN.
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**PIERHEAD LAYOUT**

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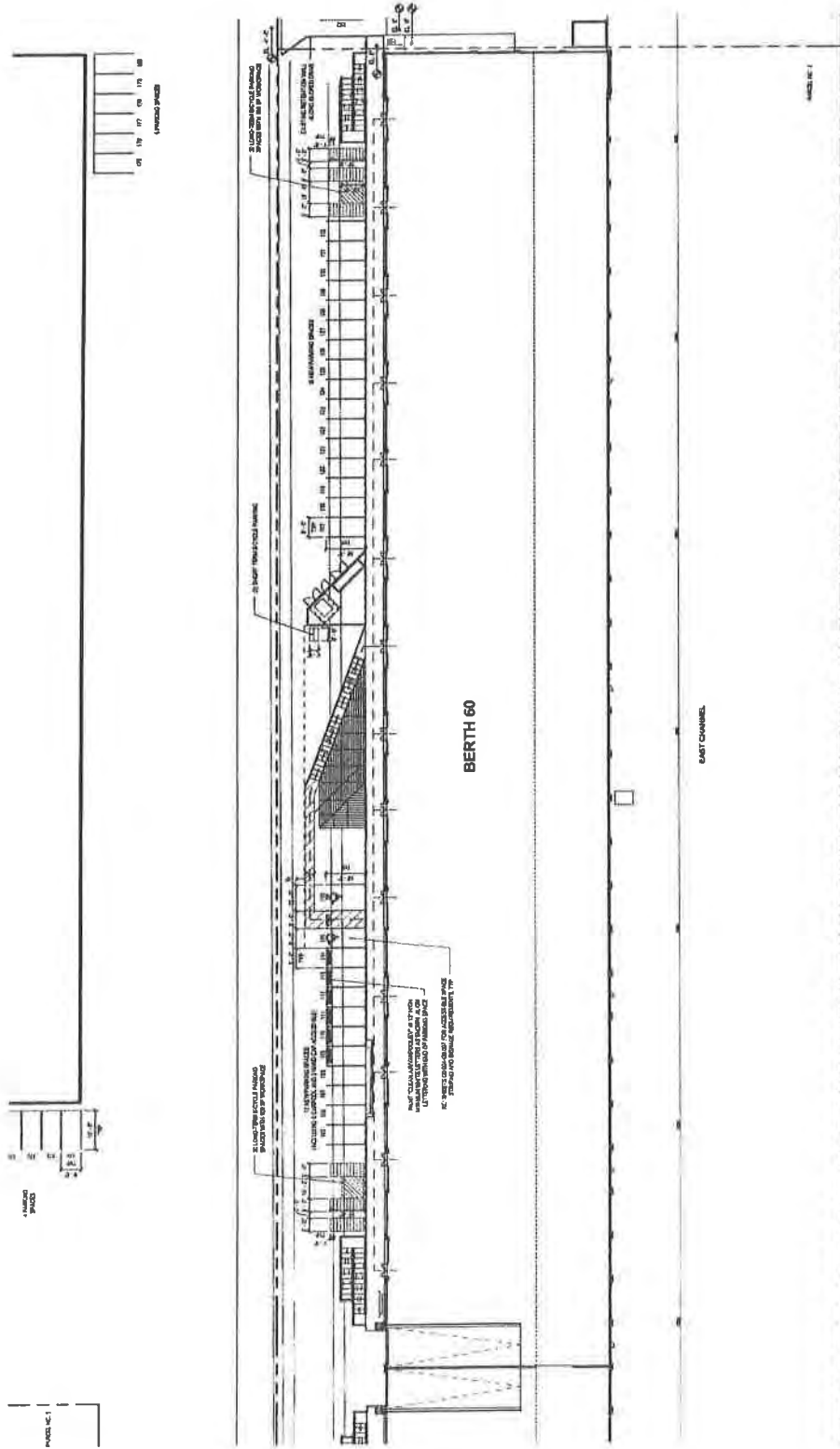


FIGURE 1



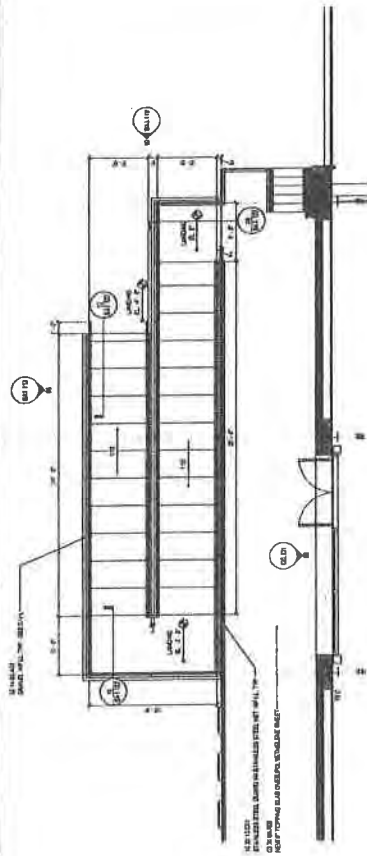


LEGEND

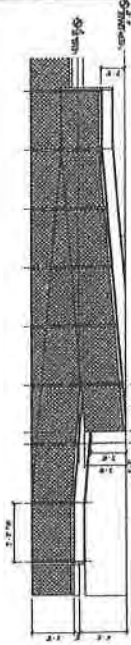
- EXISTING TOPOGRAPHY
- WALL FOOTING

GENERAL NOTES

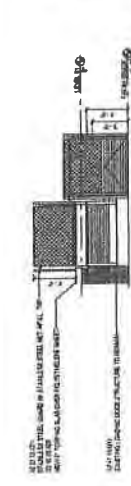
- REFER TO ARCHITECTURAL DRAWINGS FOR ALL.



13 ENLARGED SITE PLAN - RAMP ENTRY  
SCALE: 1/8" = 1'-0"

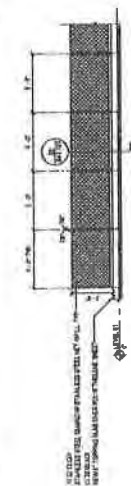


10 RAMP ELEVATION END  
SCALE: 1/8" = 1'-0"

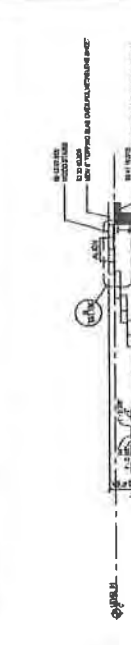


16 SECTION - RAMP  
SCALE: 1/8" = 1'-0"

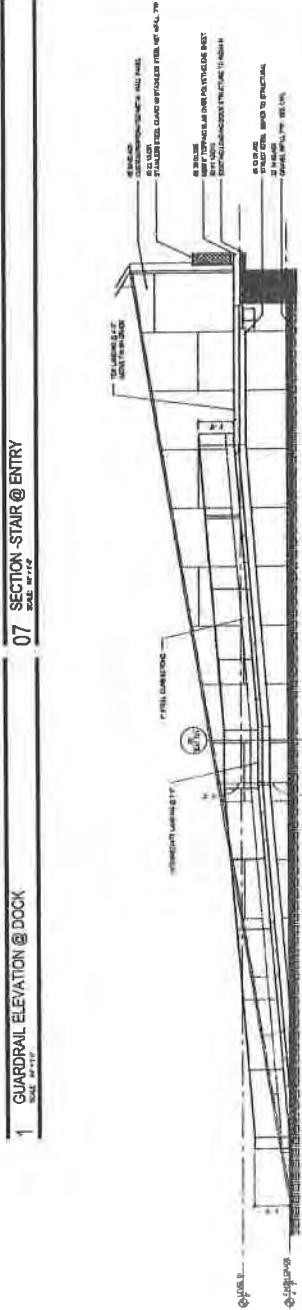
06 RAMP ELEVATION LENGTHWISE  
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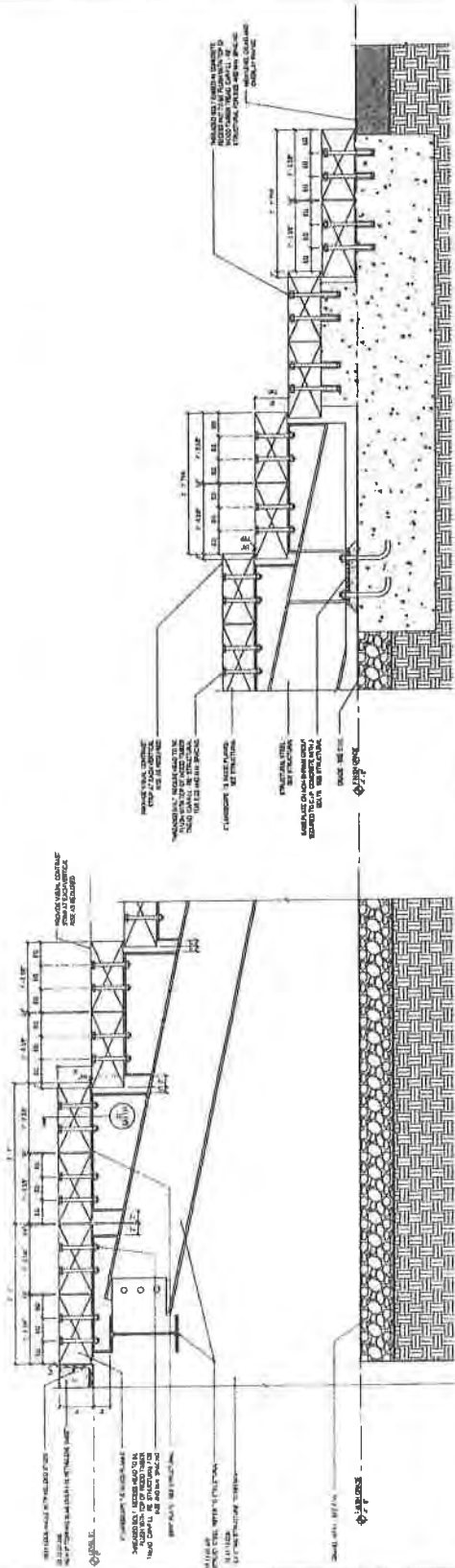
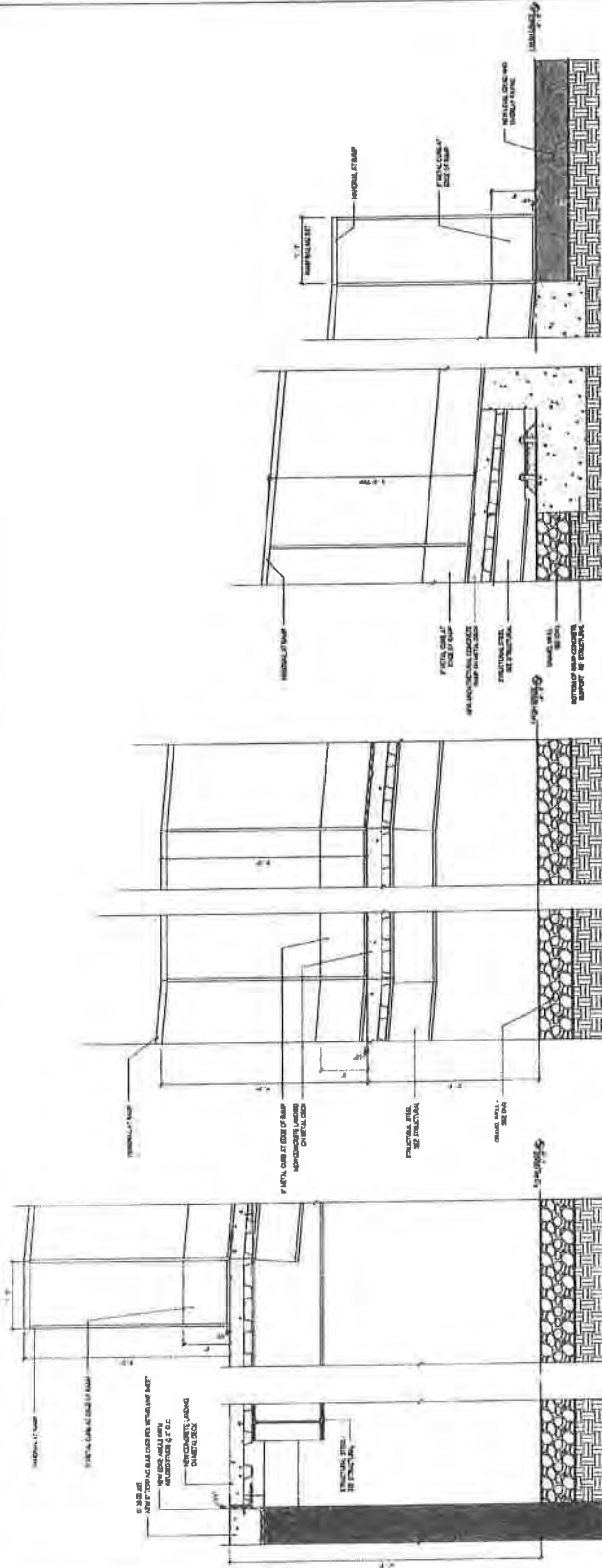
1 GUARDRAIL ELEVATION @ DOCK  
SCALE: 1/8" = 1'-0"

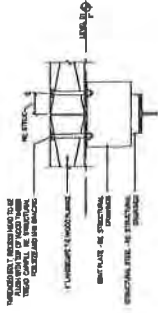


07 SECTION - STAIR @ ENTRY  
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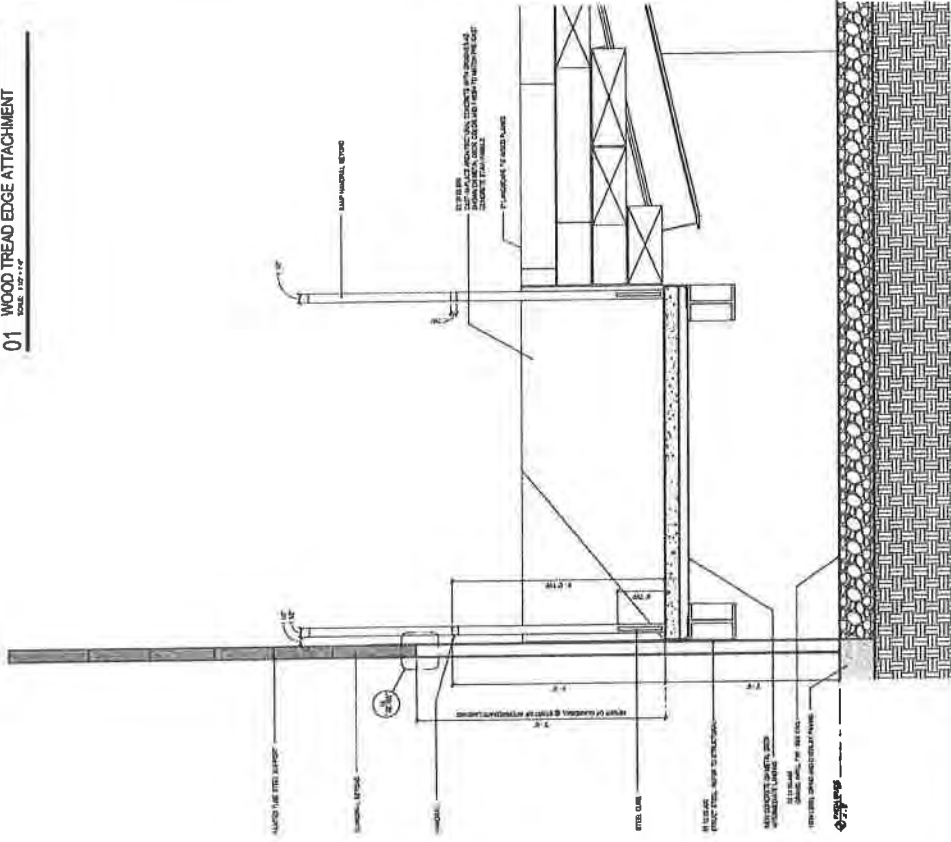


16 SECTION - RAMP  
SCALE: 1/8" = 1'-0"





**01 WOOD TREAD EDGE ATTACHMENT**  
SCALE: 1/2" = 1'-0"



**08 SLOPED WALKWAY SECTION**  
SCALE: 1/2" = 1'-0"





**Form CD-511**

**Certification  
Regarding Lobbying**

# **AltaSea at the Port of Los Angeles**

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, 'New Restrictions on Lobbying.' The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

**LOBBYING**

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 15 CFR Part 28, for persons entering into a grant, cooperative agreement or contract over \$100,000 or a loan or loan guarantee over \$150,000 as defined at 15 CFR Part 28, Sections 28.105 and 28.110, the applicant certifies that to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, 'Disclosure Form to Report Lobbying,' in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

**\* NAME OF APPLICANT**

AltaSea at the Port of Los Angeles

**\* AWARD NUMBER**

TBD

**\* PROJECT NAME**

AltaSea Phase 1A Infrastructure Improvements

**Prefix:**

Mrs.

**\* First Name:**

Jenny

**Middle Name:**

**\* Last Name:**

Krusoe

**Suffix:**

**\* Title:** Executive Director

**\* SIGNATURE:**

Completed by Grants.gov upon submission

**\* DATE:**

Completed by Grants.gov upon submission.

**City of Los Angeles  
Harbor Department**

### CERTIFICATION REGARDING LOBBYING

Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 15 CFR Part 28, "New Restrictions on Lobbying." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Commerce determines to award the covered transaction, grant, or cooperative agreement.

#### LOBBYING

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(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

#### Statement for Loan Guarantees and Loan Insurance

The undersigned states, to the best of his or her knowledge and belief, that:

In any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure occurring on or before October 23, 1996, and of not less than \$11,000 and not more than \$110,000 for each such failure occurring after October 23, 1996.

**As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.**

NAME OF APPLICANT

AWARD NUMBER AND/OR PROJECT NAME

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

# **Disclosure of Lobbying Activities**

## DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: <sup>4c</sup> _____	<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known: _____	
<b>6. Federal Department/Agency:</b>	<b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____	
<b>8. Federal Action Number, if known:</b>	<b>9. Award Amount, if known:</b> \$ _____	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i>	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
<b>Federal Use Only:</b>		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.  
  
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

# Exhibit B



222 West 6th Street, Suite 1010  
San Pedro, CA 90731  
[www.AltaSea.org](http://www.AltaSea.org)

### ***EDA Application Attachments***

1. City Dock No. 1 Marine Research Center Project Draft EIR
2. City Dock No. 1 Marine Research Center Project Final EIR
3. City Dock No. 1 Marine Research Center Project Notice of Preparation
4. Complete City Dock No. 1 Phase 1 Environmental Assessment Report
5. Complete City Dock No. 1 Phase 2 Environmental Assessment Report
6. Floodplain Map, Site Map, Topographic Map
7. Preliminary Engineering Report – Drawings
8. Feasibility Study
9. LA County COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDSS) Report
10. Los Angeles County Strategic Plan for Economic Development 2016 – 2020
11. Port of LA Master Plan
12. Battelle Report – LA County 2014
13. AltaSea Lease

# Exhibit C

September 28, 2016

In reply refer to:  
Investment No.: 07-01-07315

Ms. Jenny Krusoe  
Executive Director  
AltaSea at the Port of Los Angeles  
222 W. 6<sup>th</sup> Street, Suite 1010  
San Pedro, CA 90731-7838

Mr. Eugene D. Seroka  
Executive Director  
City of Los Angeles, Harbor Dept.  
425 S. Palos Verdes Street  
San Pedro, CA 90733-0151

Dear Ms. Krusoe and Mr. Seroka,

I am pleased to inform you that the Department of Commerce's Economic Development Administration (EDA) has approved your joint application for a \$3,000,000 EDA investment to make improvements to the Business Hub Infrastructure at City Dock No. 1.

Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and condition of the award should be indicated by the signature of your principal official from each co-applicant, on each of the signed copies of the Financial Assistance Award. One executed original should be returned to A. Leonard Smith, Regional Director, EDA Seattle Regional Office, 915 Second Avenue, Room 1890, Jackson Federal Building, Seattle, Washington 98174. If not signed and returned within 30 days of receipt, EDA may declare the Award null and void. Please retain one executed original for each of your records.

Please do not make any commitments in reliance on this award until you have carefully reviewed and accepted the terms and conditions. Any commitments entered into prior to obtaining the approval of EDA in accordance with its regulations and requirements will be at your own risk.

EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA implements this mission by making strategic investments in the nation's most economically distressed communities that encourage private sector collaboration and creation of higher-skill, higher wage jobs. EDA investments are results driven, embracing the principles of technological innovation, entrepreneurship and regional development.

I share your expectations regarding the impact of this investment and look forward to working with you to meet the economic development needs of your community.

Sincerely,

A. Leonard Smith  
Regional Director

Enclosures

Copy: Shalini Bansal, Economic Development Specialist  
Wilfred Marshall, Economic Development Representative

FORM CD-450 (MULTI)	U.S. DEPARTMENT OF COMMERCE	(REV 2-15)	<input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT
<b>FINANCIAL ASSISTANCE AWARD</b>			AWARD PERIOD <small>From date of approval shown below through 60 months</small>
RECIPIENT NAME <b>AltaSea at the Port of Los Angeles</b>	AWARD NUMBER <b>07-01-07315</b>		
STREET ADDRESS <b>222 W. Sixth Street, Suite 100</b>	FEDERAL SHARE OF COST <b>\$ 3,000,000.00</b>		
CITY, STATE, ZIP CODE <b>San Pedro, CA 90731-7838</b>	RECIPIENT SHARE OF COST <b>\$ 5,588,000.00</b>		
RECIPIENT NAME <b>City of Los Angeles, Harbor Department</b>	TOTAL ESTIMATED COST <b>\$ 8,588,000.00</b>		
STREET ADDRESS <b>425 S. Palos Verdes Street</b>			
CITY, STATE, ZIP CODE <b>San Pedro, CA 90733-0151</b>			
AUTHORITY <small>42 U.S.C. 3141, Section 201 of the Public Works and Economic Development Act of 1965, as amended by the Economic Development Administration Reauthorization Act of 2004 (Public Law 108-373)</small>			
CFDA NO. AND NAME <b>11.300/Public Works and Economic Development Facilities Program</b>			
PROJECT TITLE <b>Business Hub Infrastructure at City Dock No. 1</b>			
<p>This Award Document (Form CD-450) signed by the Grants Officer constitutes an obligation of Federal funding. By signing this Form CD-450, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, the Form CD-450 must be signed by an authorized representative of the Recipient and returned to the Grants Officer. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally withdraw this Award offer and de-obligate the funds.</p>			
<div style="list-style-type: none; padding-left: 0;"> <p><input type="checkbox"/> DEPARTMENT OF COMMERCE FINANCIAL ASSISTANCE STANDARD TERMS AND CONDITIONS (DEC. 2014)</p> <p><input type="checkbox"/> R &amp; D AWARD</p> <p><input type="checkbox"/> FEDERAL-WIDE RESEARCH TERMS AND CONDITIONS, AS ADOPTED BY THE DEPT. OF COMMERCE</p> <p><input checked="" type="checkbox"/> SPECIAL AWARD CONDITIONS</p> <p><input type="checkbox"/> LINE ITEM BUDGET</p> <p><input checked="" type="checkbox"/> 2 CFR PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES AND AUDIT REQUIREMENTS AS ADOPTED PURSUANT TO 2 CFR § 1327.101</p> <p><input type="checkbox"/> 48 CFR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES</p> <p><input type="checkbox"/> MULTI-YEAR AWARD: PLEASE SEE THE MULTI-YEAR SPECIAL AWARD CONDITION.</p> <p><input checked="" type="checkbox"/> Other(s):    EDA Standard Terms and Conditions for Construction Projects (February 12, 2016)</p> </div>			
SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER: <i>A. Leonard Smith</i>	TITLE <b>Regional Director</b>	DATE <b>September 28, 2016</b>	
PRINTED NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	TITLE	DATE	
PRINTED NAME AND SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL	TITLE	DATE	

SPECIAL AWARD CONDITIONS  
 U.S. DEPARTMENT OF COMMERCE  
 Economic Development Administration (EDA)

**CONSTRUCTION PROJECTS: Public Works and Economic Adjustment Assistance under  
 Section 201 of PWEDA Programs**

Public Works and Economic Adjustment Assistance Programs

<b>Project Title: Business Hub Infrastructure at City Dock No. 1</b>	
<b>Recipients Name: AltaSea at the Port of Los Angeles City of Los Angeles, Harbor Department</b>	<b>Project Number: 07-01-07315</b>

1. This EDA Award supports the work described in the approved final scope of work, which is incorporated by reference into this Award, as the *Authorized Scope of Work*. All work on this project should be consistent with this *Authorized Scope of Work*, unless the Grants Officer has authorized a modification of the scope of work in writing through an amendment memorialized by a fully executed Form CD-451.

The *Authorized Scope of Work* for this project includes:

The demolition of 1,140 linear feet of railroad tracks, 6,225 square feet of asphalt under ADA ramps and entry ramp, saw-cut 936 square feet of asphalt for utility trenches. Clearing and grubbing of 692 cubic yards of soil. Furnishing and installation of 42 concrete piles 35 feet below mudline, and 20 wrapped timber piles. Constructing a 306 linear feet sewer line to the buildings and restroom modular units. Trenching and installation of 596 linear feet of primary and secondary electric conduit from Signal Street, and 3 – 1,200 Amp above grade transformers. Patching 936 square feet of asphalt concrete at utility trenching. 13,810 square feet of overlay at ramps and stairs, plus concrete pads at stairs/transformers. Installation of 10,800 square feet of fencing. Framing 72.5 tons of steel for stair/ramp. Constructing 3 modular restroom facilities, 3 perforated steel panel signs, and supplying 7,362 square feet of painting on panels and posts. Note that measurements are approximate.

2. The Recipients' Contact names, title, address, and telephone number are:

Jenny Crusoe (Lead Recipient) AltaSea at the Port of Los Angeles Phone: (424) 210-4323 Email: <a href="mailto:jkrusoe@altasea.org">jkrusoe@altasea.org</a>	Executive Director 222 W. 6 <sup>th</sup> Street, Suite 1010 San Pedro, CA 90731-7838
Eugene D. Seroka (Co-recipient) City of Los Angeles, Harbor District Phone: (310) 732-3456 Email: <a href="mailto:gene_seroka@portla.org">gene_seroka@portla.org</a>	Executive Director 425 S. Palos Verdes Street San Pedro, CA 90733-0151

3. The Grants Officer is authorized to award, amend, suspend, and terminate financial assistance awards. The Grants Officer is:

<p>A. Leonard Smith, Regional Director Seattle Regional Office  Fax: (206) 220- 7657</p>	<p>Economic Development Administration Jackson Federal Building 915 Second Avenue, Room 1890 Seattle, WA 98174-1012</p>
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The Federal Program Officer (Area Director) oversees the programmatic aspects of this Award. The Federal Program Officer is:

<p>Kerstin Millius, Area Director Seattle Regional Office Phone: (206) 220-7700 FAX: (206) 220-7657 Email: KMillius@eda.gov</p>	<p>Economic Development Administration Jackson Federal Building 915 Second Avenue, Room 1890 Seattle, WA 98174-1012</p>
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4. The EDA Project Officer is responsible for day-to-day administration and liaison with the Recipients and receives all reports and payment requests. The Project Officer is:

<p>Brian Alvis, Civil Engineer Phone: (206) 220-7688 FAX: (206) 220-7669 Email: BAlvis@eda.gov</p>	<p>Economic Development Administration Jackson Federal Building 915 Second Avenue, Room 1890 Seattle, WA 98174-1012</p>
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5. **ADDITIONAL INCLUDED DOCUMENTS:**

In addition to the regulations, documents, or authorities incorporated by reference on the Financial Assistance Award form (Form CD-450) the following additional documents are included with and considered to be part of the Award's terms and conditions:

- Recipients final completed Application (this item not enclosed in this Award package);
- EDA Construction Standard Terms and Conditions;
- Any other Plans, schedules, or documents included in the original application, including subsequently submitted documentation, attached hereto, not already captured in other documents (if applicable, named in Attachment 1).

Should there be a discrepancy among these documents the Special Award Conditions (this document) and associated attachments hereto shall control.

6. **PROJECT DEVELOPMENT TIME SCHEDULE:** The Recipients agree to the following Project development time schedule:

Return of Executed Financial Assistance Award.....	30 calendar days after receipt of Form CD-450/CD-451
Start of Construction.....	24 Months from Date of Award
Construction Completed.....	48 Months from Date of Award
Authorized Award End Date.....	60 Months from Date of Award
Submission of Final Financial Documents (SF-425) ...	No later than 90 calendar days from Award End Date

Project Closeout – All Project closeout documents, including final financial reports (Form SF-425) and any required program reports, shall be submitted to EDA not more than 90 calendar days after the date the Recipients accept the completed project from the contractor(s).

The Recipients shall diligently pursue the development of the Project so as to ensure completion within this time schedule. Moreover, the Recipients shall promptly notify EDA in writing of any event that could substantially delay meeting any of the prescribed time limits for the Project as set forth above. The Recipients further acknowledge that failure to meet the development time schedule may result in EDA’s taking action to terminate the Award in accordance with the regulations set forth at 2 C.F.R. § 200.338 through § 200.342.

7. **PROJECT REPORTING AND FINANCIAL DISBURSEMENTS INSTRUCTIONS:**

A. **AWARD DISBURSEMENTS: Reimbursable basis only:** EDA will make disbursements under this Award on a reimbursement basis only, based on actual costs when specific milestones have been met, in accord with procedures outlined during the grant kick-off meeting.

The “*Outlay Report and Request for Reimbursement for Construction Programs*” (Standard Form 271) is used to request a disbursement, which shall be approved in writing by the Civil Engineer/Project Officer.

Please note that prior to the initial disbursement, Recipients must complete the attached Form SF-3881, “*ACH Vendor/Miscellaneous Payment Enrollment Form*” and submit it to NOAA’s Accounting Office by FAX to 301-528-3675 (*FAX is required to secure confidentiality of sensitive information*). The form must be completed by the respective parties (EDA, Recipient Bank, and Recipient) at the start of each new award.

B. **REPORTS:**

- a. ***Project Progress Reports:*** The Recipients shall submit project progress reports to the Project Officer on a quarterly basis for the periods ending **January 31, April 30, July 31, and October 30**, or any portion thereof until the final grant payment is made by EDA. Reports should be submitted using the approved EDA template, which will be provided by the Project Officer and discussed during the project kick-off meeting. Reports are due no later than 1 month following the end of the quarterly period.
- b. ***Financial Reports:*** The Recipients shall submit a “*Federal Financial Report*” (Form SF-425) on a semi-annual basis for the periods ending **March 31 and September 30**, or any portion thereof, for the entire project period. Form SF-425

(and instructions for completing this form) is available at:  
[http://www.whitehouse.gov/omb/grants/grants\\_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html).

A final Form SF-425 must be submitted no more than 90 calendar days after the expiration date of the Award (e.g., the Award end date specified on the Form CD-450 or Form CD-451). Final Financial reports should follow the guidance outlined by the form instructions for submitting mid-term financial reports, but should ensure that all fields accurately reflect the total outlays for the entire project period, and that all matching and program income (if applicable) is fully reported. Final grant rate and determinations of final balances owed to the government will be determined by the information on the final Form SF-425, so it is imperative that this final financial form is submitted in a timely and accurate manner.

8. **ALLOWABLE COSTS AND AUTHORIZED BUDGET:** Total allowable costs will be determined at the conclusion of the award period in accordance with the administrative authorities applicable pursuant to the *Financial Assistance Award* (Form CD-450), including 2 C.F.R. Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, after Final Financial Documents are submitted.

Except as otherwise expressly provided for within these Special Award Conditions, the Investment Rate for the award (see 13 C.F.R. §§ 300.3 and 301.4) shall apply to allowable costs incurred by the Recipients in connection with the project. The Federal share in the allowable costs shall be based upon the Investment Rate (see 2 C.F.R. § 200.306). In the event of an under run in total allowable costs for this project, the Federal share of allowable costs shall be determined by the Investment Rate established in the Form CD-450, or previously executed Form CD-451. The Federal share of total allowable costs shall not exceed the dollar amount of the original Award and subsequent amendments, if any, absent a determination by the Assistant Secretary (see 13 C.F.R § 308.1).

Line Item Budget:

- A. Under the terms of the Award, the total approved authorized budget is:

Federal Share (EDA Amount)	\$3,000,000.00
Non-Federal Matching Share	\$5,588,000.00
Total Project Cost	\$8,588,000.00

B. Under the terms of this Award, the total approved line item budget is:

COST CLASSIFICATION	Proposed	Approved
Administrative and legal expenses	\$ 100,000	\$ 100,000
Land, structures, rights-of-way, etc.	0	0
Relocation expenses and payments	0	0
Architectural and engineering fees	0	0
Other architectural and engineering fees	0	0
Project inspection fees	550,000	550,000
Site work	0	0
Demolition and removal	0	0
Construction	7,526,872	7,526,872
Equipment	0	0
Contingencies	411,128	411,128
Total Project Costs	\$ 8,588,000	\$ 8,588,000

9. **MATCHING SHARE:** The Recipients agree to provide the Recipients' non-Federal Matching Share contribution for eligible project expenses in proportion to the Federal share requested for such project expenses. (See 13 C.F.R. § 300.3). The Recipients also certify that, in accepting the Financial Assistance Award, the Recipients' Matching Share of the project costs is committed and unencumbered, from authorized sources, and shall be available as needed for the project.

10. **REFUND CHECKS, INTEREST, OR UNUSED FUNDS:** Treasury has given EDA two options for having payments deposited to EDA's account:

- i. The first one is Pay.Gov. This option allows the payee to pay EDA through the Internet. The payee will have the option to make a one-time payment or to set up an account to make regular payments.
- ii. The second option is Paper Check conversion. All checks must identify on their face the name of the DOC agency funding the award, award number, and no more than a two-word description to identify the reason for the refund or check. A copy of the check should be provided to the EDA Project Officer. This option allows the payee to send a check to NOAA's Accounting Office, who processes EDA's accounting functions at the following address:

U.S. Department of Commerce  
National Oceanic and Atmospheric Administration  
Finance Office, AOD, EDA Grants  
20020 Century Boulevard, Germantown, MD 20874

The accounting staff will scan the checks in to an encrypted file and transfer to the Federal Reserve Bank, where the funds will be deposited in EDA's account. While this process will not be an issue with most payees, there are occasionally issues for entities remitting funds to EDA via check. If you are remitting funds to EDA via check, please make note of the following:

- If a check is sent to EDA, it will be converted into an electronic funds transfer by copying the check and using the account information to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours and will appear on your regular account statement.
- EDA will not return your original check; the original will be destroyed and a copy will be maintained in our office. If the Electronic Funds Transfer (EFT) cannot be processed for technical reasons, the copy will be processed in place of the original check. If the EFT cannot be completed because of insufficient funds, EDA will charge you a one-time fee of \$25.00, which will be collected by EFT.

11. **CONSTRUCTION COMPLETION:** In keeping with prudent grants management policy, EDA construction projects must be completed within five (5) years from the date the Form CD-450 is signed by the Recipients accepting the Award. If construction is not completed by this date and the Grants Officer determines, after consultation with the Grant Recipients, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously, the grant may be terminated. Extensions beyond the five-year project period are exceedingly rare and can only be authorized by the Assistant Secretary. Nothing in this paragraph is intended to alter the Project Development Time Schedule set forth in provision 7 above.

12. **GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION:** Department of Labor regulations set forth in 41 C.F.R. § 60-4 establishes goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all federally assisted construction contracts in excess of \$10,000. The Recipients shall comply with these regulations and shall obtain compliance with 41 C.F.R. § 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 C.F.R. § 60-4. The goal for the participation of women in each trade area shall be as follows: From April 1, 1981, until further notice: 6.9 percent.

All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 C.F.R. § 60-4.6, or any successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions.

Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipients shall include the "*Standard Federal Equal Employment Opportunity Construction Contract Specifications*" (or cause them to be included, if appropriate) in all Federally-assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 C.F.R. § 60-4.6.

13. **PROCUREMENT:** The Recipients agree that all procurement transactions shall be in accordance with Department of Commerce adopted Regulations at 2 C.F.R. Part 200 and the EDA regulations contained in 13 C.F.R. Chapter III, particularly 13 C.F.R. Part 305 and 13 C.F.R. section 302.17 ("Conflicts of Interest").

14. **EVIDENCE OF GOOD TITLE:** In accordance with Section L of the EDA Standard Terms and Conditions, prior to the initial disbursement of funds by EDA, the Recipients shall provide opinion of counsel, satisfactory to the Government, that the Recipients have acquired good and marketable title to

land, free of all encumbrances, as well as rights-of-way, and easements necessary for the completion of the project, or of a long-term leasehold interest in accordance with 13 C.F.R. § 314.

15. **NONRELOCATION:** In signing this award of financial assistance, the Recipients attest that the EDA funded project will not be used to induce the relocation or the movement of existing jobs from one Region to another Region by a primary beneficiary of the Award. (See 13 C.F.R. § 300.3). In the event that EDA determines that its assistance was used for such relocation purposes, EDA reserves the right to pursue all rights and remedies, including suspension of disbursements and termination of the award for convenience or cause, and disallowance of any costs attributable, directly or indirectly, to the relocation and the recovery of the Federal share thereof.

For purposes of ensuring that EDA assistance will not be used for relocation purposes, each applicant must inform EDA of all employers that constitute primary beneficiaries of the project assisted by EDA. EDA considers an employer to be a "primary beneficiary" if, in seeking EDA assistance, the applicant estimates that such employer will create or save 100 or more permanent jobs as a result of the investment assistance and specifically names the employer in its application to EDA to make the Award. In smaller communities, EDA may consider a primary beneficiary to be an employer of 50 or more jobs permanent jobs so identified.

16. **PROPERTY MANAGEMENT STANDARDS:** The Recipients are responsible to ensure that the real property acquired or improved by this Award is used only for the authorized and specific purpose of a business hub, and that the sale, lease or conveyance of parcels of the improved property, with EDA approval, shall serve the purposes of the Award in accordance with its terms and conditions and with 13 C.F.R. Part 314.

To better memorialize and protect the Federal Share in real property acquired or improved, in whole or in part, with the funds made available under this Award, the Recipients shall and hereby agree that prior to initial disbursement under the Award it shall execute and cause to be recorded a Covenant of Purpose, Use and Ownership. The Covenant will be duly recorded with the appropriate office for the jurisdiction where the real property is situated. The Covenant shall be in a form and substance satisfactory to EDA. Upon request by EDA, Recipients shall furnish an opinion by counsel for the Recipients' that the Covenant is a valid and enforceable agreement according to its terms, and has been duly recorded in the appropriate office for that applicable jurisdiction.

17. **MASTER LEASE AGREEMENT:** Prior to the final disbursement of EDA funds, the Recipients shall submit for EDA review and approval a model Lease Agreement which meets the requirements of EDA's Property Management Standards in 13 C.F.R. § 314.

The master lease and each individual lease agreement for a building, a portion of a building or any improvement(s) on real property funded by this Award shall be subject to the prior written approval of EDA. Individual leases that follow an EDA approved master lease without deviation do not require additional review.

Prior to EDA granting said approval, it must be satisfied, inter alia, that the terms and conditions of the lease are consistent with the authorized general and special purpose of the Award; that the lease agreement will result in adequate employment and economic benefits for the area in which the property is located; that said lease agreement is consistent with EDA policies concerning, but not limited to non-discrimination, and that the proposed Lessee is providing adequate compensation to the Lessor for said lease. Adequate compensation is typically determined by the reasonable fair commercial rental value

in the community which the project is located. Typically, EDA relies on written verification of this rental value from a local real estate broker.

18. **COMPANION PROJECT:** Prior to final disbursement, the Recipients shall provide evidence satisfactory to the Government, such as a copy of the Certificate of Occupancy, that the rehabilitation of the Business Hub building (s) have been completed.
19. **PROJECT INSPECTION AGREEMENT:** Prior to initial disbursement of funds by EDA, the Recipients must submit to the Government for approval, a Project Inspection Agreement that meets the requirements in the EDA's "Summary of EDA Construction Standards," as well as the competitive procurement standards of 2 C.F.R. Part 200 and EDA Regulations contained in 13 C.F.R. Chapter III, particularly 13 C.F.R. Part 305 and 13 C.F.R. section 302.17 ("Conflicts of Interest"). The fee for basic Project Inspection Services will be a lump sum or an agreed maximum, and no part of the fees for other services will be based on a cost-plus-a-percentage-of-cost or a cost using a multiplier.
20. **STATE HISTORIC PRESERVATION OFFICER (SHPO):** Prior to any demolition, and sediment- and ground-disturbing activities, the Recipients shall provide evidence satisfactory to the EDA that the National Historic Preservation Act Section 106 consultation has been completed with the SHPO, tribal contacts, and other interested parties.
21. **U.S. ARMY CORPS OF ENGINEERS (Corps):** Prior to the advertisement of construction bid, the Recipients shall provide evidence satisfactory to the EDA that a Harbors and Rivers Act Section 10 permit has been issued by the Corps for this project.
22. **REGIONAL WATER QUALITY CONTROL BOARD (RWQCB):** Prior to any earth-disturbing activities, the Recipients shall provide evidence satisfactory to the EDA that they have obtained either a National Pollutant Discharge Elimination Systems (NPDES) stormwater permit for general construction from the RWQCB or a waiver from the permit requirement.
23. **POSSIBLE CONTAMINATION:** If contaminated soil and/or contaminated groundwater is encountered during construction, then prior to any further ground disturbing activities associated with the EDA-funded project, the Recipients shall provide evidence satisfactory to the EDA that the contamination has been remediated to applicable standards. All expenses related to site assessment and remediation work shall be the responsibility of the Recipients and EDA funds shall not be expended for assessment and remediation work.
24. **PERFORMANCE MEASURES:** The Recipients agree to report on program performance measures and program outcomes in such a form and at such intervals as may be prescribed by EDA in compliance with the Government Performance and Results Act (GPRA) of 1993, and the Government Performance and Results Modernization Act of 2010.

At this time, all Awards for construction assistance require Recipients to report actual job creation/retention and private investment leverage three (3), six (6), and nine (9) years after an EDA investment. Recipients are to retain sufficient documentation so that they can submit these required reports. Failure to submit this required report can adversely impact the ability of the Recipients to secure future funding from EDA.

Performance measures and reporting requirements that apply to program activities funded by this investment will be provided in a separate GPRA information collection document. EDA staff will contact Recipients in writing within a reasonable period prior to the time of submission of the reports

with information on how this data should be submitted. Recipients should ensure adequate and sufficient records are kept to support the methodology for computing initial job and private investment estimates and all subsequent actual performance data calculations so that this information can be made available to EDA in the event of an audits or performance site visits.

**U.S. DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION**

**STANDARD TERMS AND CONDITIONS  
FOR CONSTRUCTION PROJECTS**

Title II of the Public Works and  
Economic Development Act of 1965  
Public Works and Economic Development Facilities  
and  
Economic Adjustment Assistance Construction Components



February 12, 2016

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**U.S. DEPARTMENT OF COMMERCE  
ECONOMIC DEVELOPMENT ADMINISTRATION**

**STANDARD TERMS AND CONDITIONS  
FOR CONSTRUCTION PROJECTS**

Title II of the Public Works and  
Economic Development Act of 1965  
Public Works and Economic Development Facilities  
and  
Economic Adjustment Assistance Construction Components

**PREFACE**

This document sets out the Standard Terms and Conditions for Construction Projects (hereinafter referred to as the “Construction Standard Terms and Conditions” or “Construction ST&Cs”) applicable to Economic Development Administration (“EDA”) financial assistance awards. A Recipient of an EDA construction financial assistance award must, in addition to the assurances made as part of the Application, comply and require each of its subrecipients, contractors, and subcontractors employed in the completion of the Project to comply with all applicable statutes, regulations, executive orders, Office of Management and Budget (“OMB”) circulars, provisions of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (codified at 2 CFR part 200) (“Uniform Guidance”), provisions of these Construction ST&Cs, the EDA-approved Project budget and scope of work, any other incorporated terms and conditions, and approved Applications (collectively, “Terms and Conditions of the Award”).

This Award is subject to the laws and regulations of the United States. Any inconsistency or conflict in the Terms and Conditions specified in this Award will be resolved according to the following order of precedence: public laws, regulations (including applicable notices published in the *Federal Register (Fed. Reg.)*), executive orders, OMB circulars, EDA’s Construction ST&Cs, and special award conditions. A special award condition may amend or take precedence on a case-by-case basis over a Construction ST&C when warranted by specific Project circumstances.

Some of these Construction ST&Cs contain, by reference or substance, a summary of the pertinent statutes or regulations published in the *Federal Register* or the Code of Federal Regulations (“CFR”), executive orders, OMB circulars, or the certifications and assurances provided by applicants through Standard Forms (*e.g.*, Forms SF-424B and SF-424D). To the extent that it is a summary, such provision is not in derogation of, or an amendment to, any such statute, regulation, executive order, OMB circular, or assurance.

**ECONOMIC DEVELOPMENT ADMINISTRATION  
STANDARD TERMS AND CONDITIONS  
FOR CONSTRUCTION PROJECTS**

Public Works and Economic Development Facilities and  
Economic Adjustment Assistance Construction Components

**A. GENERAL REQUIREMENTS AND RESPONSIBILITIES.**

**1. Purpose.**

The Economic Development Administration's ("EDA's") grants for (i) public works (42 U.S.C. § 3141) and (ii) construction economic adjustment assistance (42 U.S.C. § 3149) Projects awarded under the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. § 3121 *et seq.*) ("PWEDA") are designed to enhance regional competitiveness and promote long-term economic development in regions experiencing substantial economic distress. EDA provides construction, design, and engineering grants to assist distressed communities and regions revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term private sector jobs and investment. The requirements set forth in these Construction ST&Cs are applicable to construction, design, and engineering Projects funded in whole or in part by EDA. Any necessary modifications of these requirements will be addressed in special award conditions to accommodate individual Projects. In addition, these Construction ST&Cs apply to construction projects of revolving loan funds ("RLFs") awarded between January 1, 1975 and February 10, 1999 under EDA's Title IX Economic Adjustment Assistance Program, as well as to RLFs funded after February 11, 1999 under section 209 of PWEDA (42 U.S.C. § 3149).

**2. Authority and Policies.**

EDA is a bureau within the U.S. Department of Commerce ("DOC" or "Department") established under PWEDA. *See* 13 CFR § 300.1 ("Overview of eligibility requirements"). As a Federal agency, EDA is obligated to promulgate regulations and establish policies and procedures to:

- a. Ensure compliance with applicable Federal requirements;
- b. Safeguard the public's interest in the grant assets; and
- c. Promote the effective use of grant funds in accomplishing the purposes for which they were awarded.

The Department or EDA may issue changes from time to time to the regulations and other requirements and policies that apply to this Award. Such changes may upon occasion increase administrative or programmatic flexibility in administering this Award in a manner that is mutually beneficial to EDA and to the non-Federal entity. The implementation of any such regulatory, administrative, or programmatic change in administering this Award requires EDA's prior written approval.

EDA's policy is to administer all awards uniformly; however, there may be special circumstances that warrant a variance. To accommodate these circumstances and to encourage innovative and creative ways to address economic development problems, EDA will consider

requests for variances to the procedures set out in these Construction ST&Cs if they do not conflict with applicable Federal statutory and regulatory requirements, are consistent with the goals of EDA's programs, and make sound economic and financial sense.

### 3. Definitions.

Whenever used in these Construction ST&Cs, the following words and phrases shall have the following meanings:

- a. "Application" means all forms, documentation, and any information submitted to the Government as part and in furtherance of a request for an Award and includes submissions made in response to information requested by the Government after submission of the initial Application;
- b. "Assistant Secretary" refers to the Assistant Secretary of Commerce for Economic Development;
- c. "Award" refers to the Federal financial assistance that a Recipient receives directly from EDA (*see also* 2 CFR § 200.38);
- d. "Closeout" or "Project Closeout" refers to the process by which the Grants Officer determines that all applicable administrative actions and all required work under the Award have been completed by the Recipient and EDA (*see also* 2 CFR § 200.16);
- e. "Contract" means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the Project or program under this Award. As defined at 2 CFR § 200.22, the term does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (*see also* 2 CFR § 200.22);
- f. "Contractor" means an entity that receives a contract as defined in this section and at 2 CFR § 200.22 (*see also* 2 CFR § 200.23);
- g. "Department" or "DOC" refers to the U.S. Department of Commerce;
- h. "Government" or "Federal Government" refers to EDA;
- i. "Grants Officer" refers to the official responsible for all business management and administrative aspects of this Award and, under these Construction ST&Cs, is the Regional Director in the appropriate Regional Office;
- j. "Non-Federal entity" is a State, local government, Indian tribe, institution of higher education ("IHE"), or nonprofit organization that carries out a Federal award as a recipient or subrecipient (*see also* 2 CFR § 200.69);
- k. "Pass-through entity" is a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program (*see also* 2 CFR § 200.74);
- l. "Project" refers to the activity for which the EDA grant was awarded;
- m. "Project Officer" refers to the EDA official responsible for technical or other programmatic aspects of the Award. During the post-approval stage of the Award, EDA generally assigns this role to an EDA Engineer/Construction Manager;

- n. “Recipient” is a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term “Recipient” does not include subrecipients (*see also* 2 CFR § 200.86);
- o. “Regional Office” refers to an EDA Regional Office;
- p. “Subaward” means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity (*see also* 2 CFR § 200.92);
- q. “Subrecipient” is a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency (*see also* 2 CFR § 200.92); and
- r. “Terms and Conditions of the Award” is defined in the first paragraph of the Preface above.

Capitalized terms used but not otherwise defined in these Construction ST&Cs have the meanings ascribed to them in EDA’s regulations at 13 CFR §§ 300.3 (“Definitions”), 302.20 (“Civil rights”), 307.8 (“Definitions”), and 314.1 (“Definitions”).

#### **4. Grant Recipient as Trustee.**

The Recipient holds grant funds and any EDA-assisted Project property in trust for the purposes for which the Award was made. The Recipient’s obligation to the Federal Government continues for the estimated useful life of the Project, as determined by EDA, during which EDA retains an undivided equitable reversionary interest (the “Federal Interest”) in property acquired or improved, in whole or in part, with the EDA investment. *See* 13 CFR § 314.2 (“Federal Interest”).

If EDA determines that the Recipient fails or has failed to meet this obligation, the Government may exercise any rights or remedies with respect to its Federal Interest in the Project. However, EDA’s forbearance in exercising any right or remedy in connection with the Federal Interest does not constitute a waiver thereof.

The Recipient agrees to provide EDA with information and documentation necessary for EDA to conduct due diligence to ensure the financial integrity and responsibility of the Recipient and key individuals associated with the Recipient in the management or administration of this Award.

#### **5. Reaffirmation of Application and Award Acceptance.**

The Recipient acknowledges that the Recipient’s Application for this Award may have been submitted to the Government and signed by the Recipient, or by an authorized representative of the Recipient, electronically without providing an original “wet” signature. In addition, the Recipient, or an authorized representative of the Recipient, may have accepted the Award electronically, which includes drawing down any funds at any time under this Award. Regardless of who submitted the Application to the Government or the means by which the Recipient submitted the Application or accepted the Award, the Recipient hereby reaffirms and states that:

- a. All data in the Application were true and correct when the Application was submitted and remain true and correct as of the date of this Award;

- b. The Application was, as of the date of submission and the date of this Award, duly authorized as required by local law by the governing body of the Recipient; and
- c. The Recipient has read, understood, and will comply with all terms of this Award, including the assurances and certifications submitted with, or attached to, the Application.

The Recipient agrees to immediately notify the Grants Officer of any material changes to the Application within 30 calendar days of the date the Recipient becomes aware of such changes.

#### **6. Noncompliance with Award Provisions.**

Failure to comply with the provisions of this Award may be grounds for appropriate enforcement action pursuant to 2 CFR § 200.338 (“Remedies for noncompliance”), including but not limited to:

- a. The imposition of additional Award conditions in accordance with 2 CFR § 200.207 (“Specific conditions”);
- b. Temporarily withholding Award payments pending the correction of the deficiency;
- c. The disallowance of Award costs and the establishment of an account receivable;
- d. Wholly or partially suspending or terminating this Award;
- e. Initiating suspension or debarment proceedings in accordance with 2 CFR parts 180 (“OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)”) and 1326 (“Nonprocurement Debarment and Suspension”);
- f. Withholding further Federal awards for the Project or program; and
- g. Such other remedies as may be legally available. *See also* 2 CFR §§ 200.339 (“Termination”) through 200.342 (“Effects of suspension and termination”).

In addition, failure to comply with the provisions of this Award may adversely impact the availability of funding under other active EDA or Federal awards and may also have a negative impact on the Recipient’s eligibility for future EDA or other Federal awards.

### **B. FINANCIAL REQUIREMENTS.**

#### **1. Financial Reports.**

- a. During the period of performance, the Recipient shall submit financial reports as follows or as otherwise specified in the special award conditions.
  - i. *Reports on Award Reimbursements.* In accordance with 2 CFR § 200.327 (“Financial reporting”), the Recipient shall submit a “Federal Financial Report” (Form SF-425 or any successor form) on a semi-annual basis for the periods ending March 31 and September 30, or any portion thereof, unless otherwise specified in a special award condition. Reports are due no later than 30 calendar days following the end of each reporting period, and instructions for completing and submitting Form SF-425 will be discussed during the Project kick-off meeting. Recipients may contact their EDA Project Officer with questions on how to complete or submit the report, if necessary, but they are required to submit reports on time and are encouraged to pose such questions sufficiently

before the deadline to allow for complete, accurate, and timely submission of required reports.

- ii. *Reports on Award Advances.* While EDA generally does not advance funds, when the agency does so, the Recipient must submit Form SF-425 within 15 business days following the end of each quarter for an award under \$1 million, 15 business days following the end of each month for an award totaling \$1 million or more, or as otherwise specified in a special award condition.
- b. The Recipient must submit a final financial report using Form SF-425 within 90 calendar days of the expiration date of the Award.
- c. Noncompliance with the financial reporting requirements will result in appropriate enforcement action under this Award, including but not limited to suspension of Award payments or disallowance of costs.
- d. Financial reports should be submitted to the Project Officer in electronic format, unless otherwise specified in the special award conditions.

## 2. Disbursements.

- a. *Method of Payment.* The Grants Officer determines the appropriate method of payment. Unless otherwise specified in a special award condition, the method of payment under this Award will be reimbursement. Payments will be made through electronic funds transfers directly to the Recipient's bank account and in accordance with the requirements of the Debt Collection Improvement Act of 1996 (31 U.S.C. § 3720B *et seq.*). The Award number shall be included on all payment-related correspondence, information, and forms.
  - i. *State Recipients.* Consistent with 2 CFR § 200.305(a) ("Payment"), for States, payments are governed by Treasury-State Cash Management Improvement Act agreements and default procedures codified at 31 CFR part 205 ("Rules and Procedures for Efficient Federal-State Funds Transfers") and *Treasury Financial Manual Volume I*, 4A-2000 ("Overall Disbursing Rules for All Federal Agencies").
  - ii. *Recipients Other than States.* Consistent with 2 CFR § 200.305(b), for Recipients other than States, payment methods must minimize the amount of time elapsing between the transfer of funds from the U.S. Treasury or the pass-through entity and the disbursement by the non-Federal entity.
- b. *Disbursement Requests.* The Recipient shall use Form SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," to request reimbursement under the Award. Substantiating invoices and/or vouchers also must be provided. Each request for the disbursement of funds shall be made to the Project Officer. Form SF-271 can be downloaded from OMB's website at [www.whitehouse.gov/omb/grants/grants\\_forms.html](http://www.whitehouse.gov/omb/grants/grants_forms.html).
  - i. *Initial Disbursement Request.* For the initial disbursement only, the Recipient must complete and submit Form SF-3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," along with Form SF-271, to the Project Officer.
  - ii. *Interim Disbursement Requests.* All requests for interim disbursement shall be submitted using Form SF-271 and include substantiating invoices and/or vouchers.

- iii. *Final Disbursement Request.* See section C.19 “Project Closeout Procedures” in these Construction ST&Cs.

### **3. Federal and Non-Federal Cost Sharing.**

- a. For purposes of this Award, the Federal share is the amount of EDA funds invested under the Award, while the non-Federal share, or “Matching Share,” means non-EDA funds and any in-kind contributions that are approved by EDA and provided by the Recipient or by third parties as a condition of the Award. Awards that include a Federal and non-Federal share incorporate an estimated budget consisting of shared allowable costs. If actual allowable costs are less than the total approved estimated budget, the Federal share and Matching Share shall be calculated by applying the approved Federal and non-Federal cost share ratios to actual allowable costs. See 13 CFR §§ 305.10 (“Bid underrun and overrun”) and 308.1 (“Use of funds in projects constructed under projected cost”). As noted below in section B.4 “Budget Revisions and Transfers of Funds Among Cost Categories” of these Construction ST&Cs, if actual allowable costs are greater than the total approved estimated budget, the Federal share shall not exceed the total Federal dollar amount authorized by this Award.
- b. The Matching Share, whether cash or in-kind, shall be paid out at the same general rate as the Federal share. Exceptions to this requirement may be granted by the Grants Officer based on sufficient documentation demonstrating previously determined plans for, or later commitment of, cash or in-kind contributions. In any case, the Recipient must meet its non-Federal cost share commitment over the Award period of performance; failure to do so may result in the assignment of special award conditions or other further action as specified in section A.6 “Noncompliance with Award Provisions” of these Construction ST&Cs.
- c. The Recipient must create and maintain sufficient records justifying the required Matching Share to facilitate questions, audits, and other inquiries necessary to meet EDA’s requirements to safeguard Federal funds, and must provide these records if requested by EDA, auditors, or other Federal parties. See also section C.17 “Record-Keeping Requirements” of these Construction ST&Cs. EDA may disallow undocumented costs. See 2 CFR § 200.306 for additional requirements regarding cost sharing.
- d. The Recipient shall show that the Matching Share is committed to the Project, available as needed, and not conditioned or encumbered in any way that precludes its use consistent with the requirements of EDA Investment Assistance. See 13 CFR § 301.5 (“Matching share requirements”).

### **4. Budget Revisions and Transfers of Funds Among Budget Categories.**

The EDA-approved budget is the budget plan for the Project. The Recipient must notify EDA of deviations from the budget or program plans in accordance with 2 CFR § 200.308 (“Revision of budget and program plans”), including any change in scope of work or the objective of the Project (even if there is no associated budget revision requiring prior written approval). If prior written approval is not required under 2 CFR § 200.308, the Recipient may request the Grants Officer’s review of and guidance on proposed revisions to the budget.

- a. Requests for budget revisions to the EDA-approved budget in accordance with the provisions below must be submitted through the Project Officer to the Grants Officer, who shall make the final determination on such requests and notify the Recipient in writing.
- b. In accordance with 2 CFR § 200.308(g), EDA's prior written approval and an amendment executed by the Grants Officer and the Recipient using Form CD-451 or any successor form are required for budget revisions when:
  - i. The revision results from changes in the scope or the objective of the Project;
  - ii. The need arises for additional EDA funds to complete the Project;
  - iii. The Federal share exceeds \$150,000 and the cumulative amount of transfers among direct cost categories exceeds or is expected to exceed 10 percent of the total budget as last approved by EDA; and
  - iv. A revision is desired that involves specific costs for which prior written approval requirements may be imposed consistent with applicable cost principles listed in subpart E of 2 CFR part 200 ("Cost Principles").
- c. When an Award supports both construction and non-construction work, the Recipient must obtain prior written approval from the Grants Officer before making any fund or budget transfers from non-construction to construction or vice versa. *See* 2 CFR § 200.308(g)(5).
- d. Transfers shall not be permitted if such transfers would cause any Federal appropriation, or part thereof, to be used for purposes other than those intended. This transfer authority does not authorize the Recipient to create new budget categories within an approved budget unless the Grants Officer has provided prior written approval. *See* 2 CFR § 200.308.
- e. *Project Underrun Amounts.* Underrun amounts shall be transferred to the contingencies line item. Contingency funds are to be used to address situations resulting from unknown conditions and changes required for the fulfillment of authorized activities under this Award. EDA may approve the use of underrun funds to increase the Federal share of the Project or further improve the Project, as long as EDA determines that the use is consistent with the original purpose of the approved EDA investment. *See* 13 CFR § 308.1 ("Use of funds in projects constructed under projected cost").
- f. *Additional EDA Funding in Case of Project Overrun Amounts.* In accepting this Award, the Recipient agrees to fund any overrun amounts from non-Federal sources. Additional EDA assistance for the Project may not be approved.

**5. Indirect Costs and Facilities and Administrative Costs.**

- a. Indirect costs, or facilities and administrative ("F&A") costs for educational institutions, are generally not applicable under this Award. See the definition of indirect costs at 2 CFR § 200.56 ("Indirect (facilities & administrative (F&A)) costs").
- b. When indirect costs are applicable, they will not be allowable charges against the Award unless approved under the Award and specifically included as a line item in the Award's approved budget.
- c. Excess indirect costs may not be used to offset unallowable direct costs.

- d. Under 2 CFR § 200.306(c) (“Cost sharing or matching”), unrecovered indirect costs, including indirect costs on cost sharing or matching, may be included as part of cost sharing or matching only with the prior written approval of EDA.
- e. *Cognizant Agency for Indirect (F&A) Costs.* OMB established the cognizant agency concept, under which a single agency represents all others in dealing with Recipients in common areas, including reviewing and approving indirect cost rates applicable to Federal grants.
  - i. *Determining the Cognizant Agency for Non-Commercial Organizations.* In accordance with 2 CFR § 200.19 (“Cognizant agency for indirect costs”), the cognizant agency for indirect costs is the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals on behalf of all Federal agencies. Approved rates must be accepted by other agencies, unless a Federal statute or regulation requires use of a different rate or a Federal agency awarding head or delegate approves a different rate in accordance with 2 CFR § 200.414(c) (“Indirect (F&A) costs”).  
 If indirect costs are permitted, but the Recipient has not previously established an indirect cost rate with a Federal agency, the Recipient may consult Appendices III–VII to 2 CFR part 200 for information on determining the relevant cognizant agency and developing and submitting indirect (F&A) cost rate proposals and cost allocation plans:
    - (1) Appendix III to 2 CFR part 200 – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs);
    - (2) Appendix IV to 2 CFR part 200 – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations;
    - (3) Appendix V to 2 CFR part 200 – State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans;
    - (4) Appendix VI to 2 CFR part 200 – Public Assistance Cost Allocation Plans; and
    - (5) Appendix VII to 2 CFR part 200 – States and Local Government and Indian Tribe Indirect Cost Proposals.
  - ii. *General Review Procedures When DOC Is the Cognizant Agency.*
    - (1) Within 90 days of the Award start date the Recipient shall submit to the Grants Officer any documentation (indirect cost proposal, cost allocation plan, etc.) necessary to allow the agency to perform the indirect cost rate proposal review.
    - (2) The Recipient may use the fixed rate proposed in the indirect cost plan as a provisional rate until DOC provides a response to the submitted plan.
  - iii. *When DOC Is Not the Oversight or Cognizant Agency.* When the cognizant Federal agency is not DOC, the non-Federal entity shall provide the Grants Officer with a copy of a negotiated rate agreement or a copy of the transmittal letter submitted to the cognizant or oversight Federal agency requesting a negotiated rate agreement.
- f. If the Recipient entity fails to submit required documentation to DOC within 90 days of the Award start date, the Grants Officer may amend the Award to preclude the recovery of any indirect costs under the Award. If the DOC, oversight, or cognizant Federal agency determines there is a finding of good and sufficient cause to excuse the Recipient’s delay in

submitting the documentation, an extension of the 90-day due date may be approved by the Grants Officer.

- g. The maximum dollar amount of allocable indirect costs for which DOC will reimburse the recipient shall be the lesser of:
  - i. The line item amount for the Federal share of indirect costs contained in the approved Award budget, including all budget revisions approved in writing by the Grants Officer; or
  - ii. The Federal share of the total indirect costs allocable to the Award based on the indirect cost rate approved by the cognizant agency for indirect costs and applicable to the period in which the cost was incurred, provided that the rate is approved on or before the Award end date.
- h. In accordance with 2 CFR § 200.414(g) (“Indirect (F&A) costs”), any Recipient that has a negotiated indirect cost rate may apply to the entity’s cognizant agency for indirect costs for a one-time extension of a currently negotiated indirect cost rate for a period of up to four years, reducing the frequency of rate calculations and negotiations between an institution and its cognizant agency.
- i. Any Recipient that has never received a negotiated indirect cost rate, except for those Recipients described in Paragraph D.1.b of Appendix VII to 2 CFR part 200 (specifically, a governmental department or agency that receives more than \$35 million in direct Federal funding), may elect to charge a *de minimis* rate of 10 percent of modified total direct costs. See 2 CFR § 200.414(f).

#### **6. Incurring Costs Prior to Award.**

Project activities carried out prior to EDA’s approval of this Award shall be carried out at the sole risk of the Recipient. Such activity may result in the rejection of the Application, the disallowance of costs, or other adverse consequences as a result of noncompliance with EDA or Federal law, including but not limited to procurement requirements, civil rights requirements, Federal labor standards, or environmental and historic preservation requirements. The Grants Officer must authorize pre-award costs in writing, and such costs must also be allowable under relevant Federal cost principles and the specific Award terms and be included in the EDA approved budget. Pre-award costs not included in the authorized budget are not allowable and may not be reimbursed. See 13 CFR § 302.8 (“Pre-approval Investment Assistance costs”).

#### **7. Incurring Costs or Obligating Federal Funds Beyond the Project Expiration Date.**

- a. The Recipient shall not incur costs or obligate funds for any purpose pertaining to the Project, program, or activities beyond the authorized period of performance documented in the Award agreement, unless a written time extension of this Award is granted by the Grants Officer. The only costs that are authorized for a period of up to 90 calendar days following the end date of the period of performance are those strictly associated with Closeout activities. Closeout activities are generally limited to the preparation of final progress, financial, and required Project audit reports unless otherwise approved in writing by the Grants Officer. The Grants Officer may approve extensions of the 90 calendar-day Closeout period upon a request by the Recipient as provided in 2 CFR § 200.343 (“Closeout”), as applicable.

- b. The Recipient shall adhere to the development time schedule and time limits set out in the special award conditions if they differ from those provided in these Construction ST&Cs.
- c. Neither DOC nor EDA has any obligation to provide any additional prospective funding. Any amendment of the Award to increase funding and to extend the period of performance is at the sole discretion of DOC and/or EDA.

#### **8. Time Extensions.**

- a. Unless otherwise authorized in 2 CFR § 200.308 (“Revision of budget and program plans”), or a special award condition, any extension of the period of performance can only be authorized by the Grants Officer in writing. A verbal or written assurance of funding from other than the Grants Officer, including Regional Office staff other than the Grants Officer, does not constitute authority to obligate funds for programmatic activities beyond the expiration date of the period of performance.
- b. The Recipient is responsible for implementing the Project in accordance with the development time schedule contained in this Award. As soon as the Recipient becomes aware that it will not be possible to meet the development time schedule, the Recipient must notify the Grants Officer. The Recipient’s notice to EDA must contain the following:
  - i. An explanation of the Recipient’s inability to complete work by the specified date (*e.g.*, a lengthy period of unusual weather delayed the contractor’s ability to excavate the site, major re-engineering required in order to obtain State or Federal approvals, unplanned environmental mitigation required);
  - ii. A statement that no other changes to the Project are contemplated;
  - iii. Documentation that demonstrates there is still a bona fide need for the Project; and
  - iv. A statement that no further delay is anticipated and that the Project can be completed within the revised time schedule.

EDA reserves the right to withhold disbursements while the Recipient is not in compliance with the time schedule and to suspend or terminate this Award if the Recipient fails to proceed with reasonable diligence to accomplish the Project as intended.

#### **9. Tax Refunds.**

Refunds of Federal Insurance Contributions Act (“FICA”) or Federal Unemployment Tax Act (“FUTA”) taxes received by the Recipient during or after the period of performance must be refunded or credited to DOC where the benefits were financed with Federal funds under the Award. The Recipient agrees to contact the Grants Officer immediately upon receipt of these refunds. The Recipient further agrees to refund portions of FICA/FUTA taxes determined to belong to the Federal Government, including refunds received after the expiration of the Award period of performance.

#### **10. Program Income.**

For Projects that generate rental revenue (*e.g.*, buildings or real property constructed or improved for the purpose of renting or leasing space), the Recipient agrees, for the estimated useful life (as

determined by EDA) of the EDA-assisted facility, to use such income generated from the rental or lease of any Project facility in the following order of priority:

- a. Administration, operation, maintenance, and repair of Project facilities in a manner consistent with good property management practice and in accordance with established building codes. This includes, where applicable, repayment of indebtedness resulting from any EDA approved encumbrance (*e.g.*, approved mortgage) on the EDA-assisted facility.
- b. Economic development activities that are authorized for support by EDA, provided such activities meet the economic development purposes of PWEDA.
- c. Any income in excess of paragraphs a. and b. of this section must be deducted from total allowable Project costs in accordance with 2 CFR § 200.307(e).

*See* 2 CFR § 200.307 (“Program income”).

## **C. PROGRAMMATIC REQUIREMENTS.**

### **1. Project Progress and Performance Reporting.**

- a. Project progress reports must be submitted in accordance with the procedures set out in 2 CFR § 200.328 (“Monitoring and reporting program performance”), as applicable, and as indicated below. Failure to submit required reports in a timely manner may result in the withholding of payments under this Award; deferral of processing of new awards, amendments, or supplemental funding pending the receipt of the overdue reports; or the establishment of an account receivable for the difference between the total Federal share of outlays last reported and the amount disbursed. *See* 13 CFR § 302.18 (“Post-approval requirements”).
- b. Unless otherwise specified in this Award, the Project progress report will contain the following information for each Project program, function, or activity:
  - i. A comparison of planned and actual accomplishments according to the timetable or list of Project objectives in this Award;
  - ii. An explanation of any delays or failures to meet the Project timetable or Project goals; and
  - iii. Any other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Project progress reports shall be submitted for each calendar quarter to the Project Officer. Each Project progress report must be submitted in accordance with the deadlines outlined in the special award conditions, or, where not otherwise specified, Project progress reports will be due on a quarterly basis not later than January 31, April 30, July 31, and October 31 for the immediate previous quarter. The final Project progress report shall be submitted to EDA no more than 90 calendar days after the Project Closeout date. This reporting requirement begins with the Recipient’s acceptance of this Award and ends when EDA approves Project Closeout.

The Recipient shall submit quarterly Project progress reports to the EDA Project Officer electronically unless otherwise specified in the special award conditions.

## **2. Reporting on Real Property.**

The Recipient must submit reports (using Form SF-429 “Real Property Status Report” or any successor form) at least annually on the status of real property in which EDA retains an interest, unless the Federal interest in the real property extends 15 years or longer. When EDA’s interest extends for a period of 15 years or more, EDA, at its option, may require the Recipient to report at various multi-year frequencies (*e.g.*, every two years or every three years, not to exceed a five-year reporting period; or annual reporting for the first three years of the Award and thereafter every five years). *See* 2 CFR § 200.329 (“Reporting on real property”) and section L.3.h “EDA’s Interest in Award Property” of these Construction ST&Cs.

## **3. Interim Reporting of Significant Project Developments.**

The Recipient must report any event that will or may have a significant impact upon the Project, including delays or adverse conditions that materially may affect the ability of the Recipient to attain Project objectives within established time periods or meet the development time schedule. The Recipient should report such events to the Project Officer in the most time-expedient way possible and then, if the initial report was not in writing, report the event to the Project Officer in writing. Such a report shall include a statement of the event or issue, a statement of the course of action taken or contemplated to resolve the matter, and any Federal assistance needed to resolve the situation. If budget changes are required, the Recipient must submit a written budget revision request. *See* 2 CFR § 200.328(d) (“Monitoring and reporting program performance”).

## **4. Government Performance and Results Act Reporting.**

In addition to quarterly Project progress reports, EDA may require the Recipient to report on Project performance beyond the Project Closeout date for Government Performance and Results Act (“GPRA”) purposes. In no case shall the Recipient be required to submit any report more than ten years after the Project Closeout date. Data used by the Recipient in preparing reports shall be accurate and, whenever possible, from independent sources. *See* 13 CFR § 302.16 (“Accountability”).

## **5. Unsatisfactory Performance.**

Failure to perform the work in accordance with the Terms and Conditions of the Award and maintain at least satisfactory performance may result, at EDA’s discretion, in the assignment of additional award conditions pursuant to 2 CFR § 200.207 (“Specific conditions”) or other appropriate enforcement actions as specified in 2 CFR § 200.338 (“Remedies for noncompliance”). *See also* section A.6 “Noncompliance with Award Provisions” of these Construction ST&Cs.

## **6. Programmatic Changes.**

- a. In accordance with 2 CFR § 200.308 (“Revisions of budget and program plans”), the Recipient shall report programmatic changes, including all changes to the scope of the Award, to the Project Officer. In accordance with section B.4 “Budget Revisions and Transfers of Funds Among Budget Categories” of these Construction ST&Cs, certain budget revisions require the prior written approval of EDA. In these cases, the Project Officer will

forward the request to the Grants Officer, who makes the final decision on approving the request. In addition, the Recipient shall request prior written approvals for certain items of cost in accordance with 2 CFR § 200.407 (“Prior written approval (prior approval)”).

- b. Any changes made to the Project without EDA’s approval are made at the Recipient’s risk of nonpayment of costs, suspension, termination, or other EDA action with respect to the Award. *See* 13 CFR § 302.7(b) (“Amendments and changes”).
- c. *Contract Change Orders.* After construction contracts for the Project have been executed, it may become necessary to alter them, which requires a formal contract change order that must be issued by the Recipient and accepted by the contractor. All contract change orders must be reviewed by EDA, even if EDA is not participating in the cost of the change order or the contract price is to be reduced. Work on the Project may continue pending EDA review and approval of the change order, but all such work shall be at the Recipient’s risk as to whether the cost of the work is eligible for EDA participation until the Recipient receives EDA’s written approval for the change order. *See* 13 CFR § 305.13 (“Contract change orders”).

**7. Other Federal Awards with Similar Programmatic Activities.**

The Recipient shall immediately notify the Project Officer and the Grants Officer in writing if, after receipt of this Award, other financial assistance is received to support or fund any portion of the scope of work incorporated into this Award. EDA will not pay for costs that are funded by other sources.

**8. Beneficiary Compliance.**

In the event a beneficiary of the Project fails to comply in any manner with certifications, assurances, or agreements that such beneficiary has entered into in accordance with EDA’s requirements, the Recipient will reimburse the Government the Award amount or an amount to be determined by the Government pursuant to 13 CFR §§ 314.4 (“Unauthorized use of property”) and 314.5 (“Federal share”). Where the Government determines that the failure of a beneficiary to comply with EDA requirements affects a portion of the property benefited by the Award, the Recipient will reimburse the Government proportionately.

**9. Prohibition Against Assignment by the Recipient.**

The Recipient shall not transfer, pledge, mortgage, or otherwise assign the Award, or any interest therein, or any claim arising thereunder, to any party or parties, banks, trust companies, or other financing or financial institutions without the express prior written approval of the Grants Officer, which approval may be provided in a special award condition.

**10. Disclaimer Provisions; Hold Harmless Requirement.**

- a. The United States expressly disclaims any and all responsibility or liability to the Recipient, subrecipient, or third persons for the actions of the Recipient, subrecipient, or third persons resulting in death, bodily injury, property damages, or any other losses resulting in any way from the performance of this Award or any subaward or subcontract under this Award.

- b. The acceptance of this Award or any subaward by the Recipient or subrecipient does not in any way constitute an agency relationship between the United States and the Recipient or subrecipient.
- c. To the extent permitted by law, the Recipient agrees to indemnify and hold the Government harmless from and against all liabilities that the Government may incur as a result of providing an award to assist, directly or indirectly, in the preparation of the Project site or construction, renovation, or repair of any facility on the Project site, to the extent that such liabilities are incurred because of toxic or hazardous contamination or groundwater, surface water, soil, or other conditions caused by operations of the Recipient or any of its predecessors (other than the Government or its agents) on the property. *See* 13 CFR § 302.19 (“Indemnification”).

#### **11. Prohibition on Use of Third Parties to Secure Award.**

Unless otherwise specified in the special award conditions to this Award, the Recipient warrants that no person or selling agency has been employed or retained to solicit or secure this Award upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by the Recipient for the purpose of securing business. For breach or violation of this warrant, the Government has the right to annul this Award without liability, or at its discretion, to deduct from the Award sum, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

#### **12. Payment of Attorneys’ or Consultants’ Fees.**

No Award funds shall be used, directly or indirectly, to reimburse attorneys’ or consultants’ fees incurred in connection with obtaining Investment Assistance under PWEDA, such as, for example, preparing the Application for EDA Investment Assistance. However, ordinary and reasonable attorneys’ and consultants’ fees incurred for meeting Award requirements (*e.g.*, conducting a title search or preparing plans and specifications) may be eligible Project costs and may be paid out of Award funds, provided such costs are otherwise eligible. *See* 13 CFR § 302.10 (“Attorneys’ and consultants’ fees, employment of expeditors, and post-employment restriction”).

#### **13. Recipient’s Duty to Refrain from Employing Certain Government Employees.**

- a. Pursuant to section 606(2) of PWEDA (42 U.S.C. § 3216), for the two-year period beginning on the date EDA executes this Award, any Recipient that is a nonprofit organization, District Organization, or for-profit entity agrees that it will not employ, offer any office or employment to, or retain for professional services any person who:
  - i. On the date the Government executes this Award or within the one-year period ending on that date, served as an officer, attorney, agent, or employee of the Department, and
  - ii. Occupied a position or engaged in activities that the Assistant Secretary determines involved discretion with respect to the awarding of Investment Assistance under PWEDA.

- b. In addition to the types of Recipients noted in paragraph a above, EDA may require another Eligible Applicant to execute an agreement to abide by the above-described post-employment restriction on a case-by-case basis—for example, when an institution of higher education implements activities under or related to the Investment Assistance through a separate nonprofit organization or association.
- c. The two-year period and associated restrictions referenced above also shall apply beginning on the date that EDA executes any cost amendment to this Award that provides additional funds to the Recipient.

*See also* 13 CFR § 302.10 (“Attorneys’ and consultants’ fees, employment of expeditors, and post-employment restriction”).

#### **14. Commencement of Construction and Project Sign.**

- a. *Delayed Construction Starts.* If significant construction (as determined by EDA) is not commenced within two years of the Award date or by the date estimated for start of construction in this Award (or the expiration of any extension granted in writing by EDA), whichever is later, this Award will be automatically suspended and may be terminated if EDA determines, after consultation with the Recipient, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously.
- b. *Early Construction Starts.* The Recipient shall make a written request to EDA for early construction start permission (that is, after the date of Award, but before EDA gives formal approval for construction to commence). For Project costs to be eligible for EDA reimbursement, EDA must determine that the award of all contracts necessary for design and construction of the Project facilities is in compliance with the Terms and Conditions of this Award. If construction commences prior to EDA’s determination, the Recipient proceeds at its own risk until EDA’s review and concurrence. *See* 13 CFR § 305.11 (“Contract awards; early construction start”).
- c. *Project Sign.* The Recipient is responsible for constructing, erecting, and maintaining in good condition throughout the construction period a sign (or signs) in a conspicuous place at the Project site indicating that the Federal Government is participating in the Project. EDA will provide specifications for the sign and may require more than one sign if site conditions so warrant. If the EDA-recommended sign specifications conflict with State or local law, the Recipient may modify such recommended specifications so as to comply with State or local law. *See* 13 CFR § 305.12 (“Project sign”).

#### **15. Efficient Administration of Project.**

The Recipient agrees to properly and efficiently administer, operate, and maintain the Project for its estimated useful life, as required by section 504 of PWEDA (42 U.S.C. § 3194). If the Government determines, at any time during the estimated useful life of the facility, that the Project is not being properly and efficiently administered, operated, and maintained, the Government may terminate this Award (if it is still active) and/or may take appropriate enforcement action to protect the Federal Interest in the Project, including requiring the Recipient to repay the Federal Share. *See* 13 CFR §§ 302.12 (“Project administration, operation and maintenance”), 302.18 (“Post-approval requirements”), and 314.2 (“Federal interest”) through 314.5 (“Federal share”).

## 16. Conflicts-of-Interest Rules.

- a. An “Interested Party” is defined in 13 CFR § 300.3 (“Definitions”) as “any officer, employee, or member of the board of directors or other governing board of the Recipient, including any other parties that advise, approve, recommend, or otherwise participate in the business decisions of the Recipient, such as agents, advisors, consultants, attorneys, accountants, or shareholders.” An Interested Party includes the Interested Party’s “Immediate Family” (defined in 13 CFR § 300.3 as “a person’s spouse (or domestic partner or significant other), parents, grandparents, siblings, children and grandchildren, but does not include distant relatives, such as cousins, unless the distant relative lives in the same household as the person”) and other persons directly connected to the Interested Party by law or through a business organization.
- b. The Recipient must disclose in writing any potential conflicts of interest to EDA or the pass-through entity. In addition, the Recipient must maintain written standards of conduct to establish safeguards to prohibit an Interested Party from using its position for a purpose that constitutes or presents the appearance of personal or organizational conflicts-of-interest or of personal gain in the administration of an award. *See* 13 CFR § 302.17(a) and (b) (“Conflicts of interest”), 2 CFR § 200.112 (“Conflict of interest”), as applicable, and Forms SF-424B (“Assurances – Non-Construction Projects”) and SF-424D (“Assurances – Construction Projects”).
- c. An Interested Party must not receive any direct or indirect financial or personal interests or benefits in connection with this Award or its use for payment or reimbursement of costs by or to the Recipient. A financial interest or benefit may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance, services, or advice. It also could result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field. *See* 13 CFR § 302.17(a) and (b).
- d. Procurement-related conflicts of interest. In addition, in accordance with 2 CFR § 200.318(c) (“General procurement standards”), the Recipient must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. *See* 2 CFR §§ 200.317–200.326 (“Procurement Standards”).

## 17. Record-Keeping Requirements.

- a. *Records.* The Recipient must maintain records that document compliance with the Terms and Conditions of this Award. At a minimum, the Recipient’s records must fully disclose:
  - i. The amount and disposition of EDA investment assistance;
  - ii. All Project expenditures and procurement actions;
  - iii. The total cost of the Project that the Award funds;
  - iv. Copies of all reports and disbursement requests submitted to EDA;

- v. The benefits/impacts of the Project, as reported through GPRA and other reports to EDA;
  - vi. The amount and nature of the portion of Project costs provided by non-EDA sources;
  - vii. Contractor compliance with applicable Federal requirements; and
  - viii. Such other records as EDA determines will facilitate an effective audit.
- b. *Records Retention.* In general and in accordance with 2 CFR § 200.333 (“Retention requirements for records”), all records pertinent to this Award must be retained for a period of three years from the date of submission of the final Project expenditure report (the final Form SF-271 for disbursement). The only exceptions are the following:
- i. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final actions taken.
  - ii. When the Recipient is notified in writing by EDA, the cognizant agency for either audit or indirect costs, the oversight agency for audit, or the relevant pass-through entity to extend the retention period, it must retain the records as directed.
  - iii. Records for real property and equipment acquired with Federal funds must be retained for three years after final disposition of the relevant real property or equipment.
  - iv. When records are transferred or maintained by EDA, the three-year retention requirement is not applicable to the Recipient.
  - v. Records for program income transactions after the period of performance. In some cases Recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the Recipient’s fiscal year in which the program income is earned.
  - vi. Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).
    - (1) *If submitted for negotiation.* If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
    - (2) *If not submitted for negotiation.* If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the three-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.
- c. *Monitoring and Reporting Obligations.* The Recipient is responsible for monitoring any subrecipients and contractors to ensure their compliance with the records retention requirements. The Recipient must immediately notify the Project Officer if records are lost,

destroyed, or are otherwise no longer available, or if the Recipient anticipates that it will not be able to comply with the record retention requirements under the Award for the general retention periods noted above. See 13 CFR § 302.14 (“Records”), as applicable.

## 18. Termination Actions.

- a. In accordance with 2 CFR § 200.339 (“Termination”), this Award may be terminated in whole or in part as follows:
  - i. *Termination by EDA for the Recipient’s Failure to Comply with the Terms and Conditions of the Award.* EDA may terminate this Award, in whole or in part, if the Recipient fails to comply with the Terms and Conditions of the Award, including if:
    - (1) Any representation made by the Recipient to the Federal awarding agency in connection with the Application for Federal assistance is incorrect or incomplete in any material respect;
    - (2) The Project has changed substantially, without EDA approval, so as to affect significantly the accomplishment of the Project as intended (including an unauthorized use of property as provided in 13 CFR § 314.4 (“Unauthorized use of property”));
    - (3) The Recipient has violated commitments it made in its Application and supporting documents or has violated any of the Terms and Conditions of the Award;
    - (4) The conflicts-of-interest rules at 13 CFR § 302.17 (“Conflicts of interest”) are violated; or
    - (5) The Recipient fails to report immediately to the Federal awarding agency any change of authorized representative acting in lieu of or on behalf of the Recipient.
  - ii. *Termination by EDA for Cause.* EDA may terminate this Award for cause if required by a circumstance beyond EDA’s control, such as a Congressional mandate.
  - iii. *Termination by the Recipient.* The Recipient may terminate this Award in whole or in part upon sending the EDA Grants Officer written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if EDA determines in the case of partial termination that the reduced or modified portion of the EDA Award will not accomplish the purposes for which the EDA Award was made, EDA may terminate the Award in its entirety.
  - iv. *Termination Upon Mutual Agreement.* EDA and the Recipient may mutually agree to terminate this Award in whole or in part. In such cases, EDA and the Recipient must agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
- b. If the Award is wholly or partially terminated, the Recipient remains responsible for compliance with the requirements in 2 CFR §§ 200.343 (“Closeout”) and 200.344 (“Post-closeout adjustments and continuing responsibilities”).

## 19. Project Closeout Procedures.

As noted above in section C.15 “Efficient Administration of Project” of these Construction ST&Cs, after construction is completed and the Project is closed out financially, the Recipient has an ongoing responsibility to properly administer, operate, and maintain the Project for its estimated useful life (as determined by EDA) in accordance with its original purpose. See 13 CFR § 302.12 (“Project administration, operation and maintenance”). The Recipient must comply with all Award requirements and maintain records to document such compliance, which shall be made available for inspection by EDA or other Government officials as required.

- a. *Final Disbursement.* When Project construction and final inspection have been completed, or substantially completed as determined by EDA, and the Recipient has accepted the Project from the contractor, the Recipient can begin the Closeout process by submitting the following documentation to EDA:
  - i. A request for final disbursement on an executed Form SF-271;
  - ii. A written certification that all costs charged against this Award (Federal and non-Federal shares) are for eligible activities and represent allowable costs, for which there is documentation in the Recipient’s records;
  - iii. An executed certificate of final acceptance signed by the Recipient and the Recipient’s architect/engineer;
  - iv. The Recipient’s certification that its currently valid single or program-specific audit in accordance with subpart F of 2 CFR part 200 (“Audit Requirements”), if applicable, does not contain any material findings (if the Recipient’s currently valid audit does contain material findings, the Recipient shall submit the applicable audit preferably via e-mail to the Project Officer, who will review with the Grants Officer);
  - v. The Recipient’s certification that its currently valid audit (in accordance with subpart F of 2 CFR part 200), if applicable, has been submitted to the Federal Audit Clearinghouse; and
  - vi. Other documentation as may be required by EDA.

EDA shall advise the Recipient of costs determined to be allowable and unallowable. If a balance of this Award is due to the Recipient, the balance will be paid by wire transfer. If the Recipient has received an amount in excess of the amount due the Recipient, the Recipient must refund the excess to EDA. The Recipient shall contact the Project Officer for refund instructions.

As noted above, if the Recipient’s currently valid audit completed pursuant to subpart F of 2 CFR part 200 contains material findings, the Recipient shall submit the audit, preferably via e-mail, to the Project Officer, who will review with the Grants Officer before final disbursement. If e-mail is unavailable, the Recipient may submit a hardcopy version of the audit to the Project Officer.

- b. The Recipient shall submit, within 90 calendar days after the Project Closeout date, all financial, performance, and other reports as required by the Terms and Conditions of this Award. The Grants Officer may extend the 90 calendar day Closeout period upon a written request from the Recipient.

- c. As required under GPRA and in accordance with a schedule that will be provided by EDA, the Recipient must submit additional Performance Measurement Reports, generally three, six, and nine years after the date of the Award to accurately and completely report the impacts of the Project, especially in terms of job creation and private investment leveraging.
- d. Unless EDA authorizes an extension, the Recipient shall liquidate all obligations incurred under this Award no later than 90 calendar days after acceptance of the Project from the contractor or within 90 calendar days of the expiration date of this Award, whichever occurs earlier.
- e. In accordance with 2 CFR § 200.344 “Post-closeout adjustments and continuing responsibilities,” the Closeout of this Award does not affect any of the following:
  - i. The right of EDA to disallow costs and recover funds on the basis of a later audit or other Project review;
  - ii. The Recipient’s obligation to return any funds due as a result of later corrections or other transactions;
  - iii. Audit requirements per subpart F of 2 CFR part 200; and
  - iv. Requirements for property management and disposition, records retention, and performance measurement reports. *See* subpart D of 2 CFR part 200 (“Post Federal Award Requirements”), as applicable.

**20. Freedom of Information Act.**

EDA is responsible for meeting its Freedom of Information Act (“FOIA”) (5 U.S.C. § 552) responsibilities for its records. DOC regulations at 15 CFR part 4 set forth the requirements and procedures that EDA must follow in order to make the requested material, information, and records publicly available. Unless prohibited by law and to the extent required under the FOIA, contents of Applications and other information submitted by applicants and Recipients may be released in response to a FOIA request. The Recipient should be aware that EDA may make certain Application and other submitted information publicly available. Accordingly, as set forth in 15 CFR § 4.9, the Recipient should identify in its Application any “business information” it believes to be protected from disclosure pursuant to 5 U.S.C. § 552(b)(4).

**D. ADDITIONAL REQUIREMENTS RELATING TO CONSTRUCTION PROJECTS.**

The Recipient and any subrecipients must, in addition to other statutory and regulatory requirements detailed in these Construction ST&Cs and the assurances made to EDA in connection with the Award, comply and require each of its contractors and subcontractors employed in the completion of the Project to comply with all applicable Federal, State, territorial, and local laws, and in particular, the following Federal public laws (and the regulations issued thereunder), executive orders, OMB circulars, Uniform Guidance, and local law requirements.

1. **The Davis-Bacon Act, as amended (40 U.S.C. §§ 3141–3144, 3146, 3147; 42 U.S.C. § 3212)**, which requires minimum wages for mechanics and laborers employed on Federal Government public works projects to be based on the wages that the Secretary of Labor determines to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State in which the Project is to be performed, or in the District of Columbia if the Project is to be performed there.

2. **The Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. §§ 3701-3708)**, which provides work hour standards for every laborer and mechanic employed by any contractor or subcontractor in the performance of a Federal public works project.
3. **The National Historic Preservation Act of 1966, as amended (54 U.S.C. § 300101 *et seq.*), and the Advisory Council on Historic Preservation Guidelines (36 CFR part 800)**, which require stewardship of historic properties in projects involving Federal funds.
4. **The Historical and Archeological Data Preservation Act of 1974, as amended (16 U.S.C. § 469a-1 *et seq.*)**, which requires appropriate surveys and preservation efforts if a Federally licensed project may cause irreparable loss or destruction of significant scientific, prehistorical, historical, or archeological data.
5. **The Architectural Barriers Act of 1968, as amended (42 U.S.C. § 4151 *et seq.*)**, and the regulations issued thereunder, which prescribe standards for the design and construction of any building or facility intended to be accessible to the public or that may house handicapped employees.
6. **The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. § 4601 *et seq.*)**, and implementing regulations issued at 49 CFR part 24 (“Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs”), which establish uniform policies for the fair and equitable treatment of persons, businesses, or farm operations affected by the acquisition, rehabilitation, or demolition of real property acquired for a project financed wholly or in part with Federal financial assistance.
7. **The Energy Conservation and Production Act (42 U.S.C. § 6834 *et seq.*)**, which establishes energy efficiency performance standards for the construction of new residential and commercial structures undertaken with Federal financial assistance.
8. **Compliance with Local Construction Requirements.** The Recipient will comply with current local building codes, standards, and other requirements applicable to the Project.

#### **E. NONDISCRIMINATION REQUIREMENTS.**

No person in the United States shall, on the ground of race, color, national origin, handicap, age, religion, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance. The Recipient agrees to comply with the nondiscrimination requirements below.

##### **1. Statutory Provisions.**

- a. **Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*)** and DOC implementing regulations published at 15 CFR part 8 (“Nondiscrimination in Federally Assisted Programs of the Department of Commerce—Effectuation of Title VI of the Civil Rights Act of 1964”), which prohibit discrimination on the grounds of race, color, or national origin under programs or activities receiving Federal financial assistance. *See* the Department’s Title VI compliance provisions at 15 CFR §§ 8.7 (“Cooperation, compliance reports and reviews and access to records”) through 8.15 (“Effect on other laws; supplementary instructions; coordination”).

- b. **Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 *et seq.*)**, which prohibits discrimination on the basis of sex under Federally assisted education programs or activities.
- c. **Pub. L. No. 92-65, 42 U.S.C. § 3123**, which proscribes discrimination on the basis of sex in EDA assistance provided under PWEDA; **Pub. L. No. 94-369, 42 U.S.C. § 6709**, which proscribes discrimination on the basis of sex under the Local Public Works Program; and the Department's implementing regulations at 15 CFR §§ 8.7 ("Cooperation, compliance reports and reviews and access to records") -8.15 ("Effect on other laws; supplementary instructions; coordination").
- d. **The Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*) (ADA)**, which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by State and local governments or instrumentalities or agencies thereof, as well as public or private entities that provide public transportation.
- e. **Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794)**, and DOC implementing regulations published at 15 CFR part 8b ("Prohibition of Discrimination Against the Handicapped in Federally Assisted Programs Operated by the Department of Commerce"), which prohibit discrimination on the basis of handicap under any program or activity receiving or benefiting from Federal assistance.

For purposes of complying with the accessibility standards set forth in 15 CFR § 8b.18(c) ("New construction"), Recipients must adhere to the regulations, published by the U.S. Department of Justice, implementing Title II of the Americans with Disabilities Act ("ADA") (28 CFR part 35 ("Nondiscrimination on the Basis of Disability in State and Local Government Services"); 75 *Fed. Reg.* 56164, as amended by 76 *Fed. Reg.* 13285) and Title III of the ADA (28 CFR part 36 ("Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities"); 75 *Fed. Reg.* 56236, as amended by 76 *Fed. Reg.* 13286). The revised regulations adopted new enforceable accessibility standards called the "2010 ADA Standards for Accessible Design" (2010 Standards), which replace and supersede the former Uniform Federal Accessibility Standards for new construction and alteration projects.

- f. **The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*)** and DOC implementing regulations published at 15 CFR part 20 ("Nondiscrimination on the Basis of Age in Programs or Activities Receiving Federal Financial Assistance"), which prohibit discrimination on the basis of age in programs or activities receiving Federal financial assistance.
- g. Other applicable Federal statutes, regulations, and executive orders, and other applicable nondiscrimination laws.

## 2. Other Provisions.

- a. Parts II and III of Executive Order 11246 (30 *Fed. Reg.* 12319, 1965), as amended by Executive Orders 11375 (32 *Fed. Reg.* 14303, 1967) and 12086 (43 *Fed. Reg.* 46501, 1978), requiring Federally assisted construction contracts to include the nondiscrimination provisions of sections 202 and 203 of that Executive Order and Department of Labor regulations implementing Executive Order 11246 (41 CFR § 60-1.4(b) ("Equal Opportunity Clause"), 1991).

- b. Executive Order 13166 (August 11, 2000), "Improving Access to Services for Persons With Limited English Proficiency," requiring Federal agencies to examine the services provided, identify any need for services to those with limited English proficiency ("LEP"), and develop and implement a system to provide those services so that LEP persons can have meaningful access to them. The DOC issued policy guidance on March 24, 2003 ("Guidance to Federal Financial Assistance Recipients on the Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons", 68 *Fed. Reg.* 14180) to articulate the Title VI prohibition against national origin discrimination affecting LEP persons and to help ensure that Recipients provide meaningful access to their LEP applicants and beneficiaries.

### **3. Title VII Exemption for Religious Organizations.**

Generally, Title VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000e *et seq.*) provides that it shall be an unlawful employment practice for an employer to discharge any individual or otherwise discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. However, Title VII, 42 U.S.C. § 2000e-1(a), expressly exempts from the prohibition against discrimination on the basis of religion, a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.

## **F. AUDITS.**

Under the Inspector General Act of 1978, as amended (5 U.S.C. App. 3, § 1 *et seq.*), an audit of the Award may be conducted at any time. The Department's Inspector General, or any of his or her duly authorized representatives, shall have access to any pertinent books, documents, papers, and records of the Recipient, whether written, printed, recorded, produced, or reproduced by any electronic, mechanical, magnetic, or other process or medium, in order to make audits, inspections, excerpts, transcripts, or other examinations as authorized by law. This right also includes timely and reasonable access to the Recipient's personnel for the purpose of interview and discussion related to such documents. *See* 2 CFR § 200.336 ("Access to records"). When the Office of the Inspector General ("OIG") requires a program audit on a DOC Award, the OIG will usually make the arrangements to audit the Award, whether the audit is performed by OIG personnel, an independent accountant under contract with DOC, or any other Federal, State, or local audit entity.

### **1. Organization-Wide, Program-Specific, and Project Audits.**

- a. Organization-wide or program-specific audits shall be performed in accordance with the Single Audit Act Amendments of 1996, as implemented by subpart F of 2 CFR part 200 ("Audit Requirements"). Recipients that expend \$750,000 or more in Federal awards during their fiscal year shall have an audit conducted for that year in accordance with the requirements set forth in subpart F of 2 CFR part 200. Within the earlier of 30 calendar days after receipt of the auditor's report, or nine months after the end of the audit period, a copy of the audit shall be submitted electronically to the Federal Audit Clearinghouse website at <http://harvester.census.gov/sac/>.

If it is necessary to submit using paper, the address for submission is:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 E. 10<sup>th</sup> Street  
Jeffersonville, IN 47132

Within 90 days of the end of the fiscal year of a Recipient subject to subpart F of 2 CFR part 200, the entity is responsible for notifying the Grants Officer of the amount of Federal awards, including all DOC and non-DOC awards, the Recipient expended during its fiscal year.

A Recipient that expends less than \$750,000 in Federal awards during its fiscal year is exempt from Federal audit requirements for that year, except as noted at 2 CFR § 200.503 (“Relation to other audit requirements”), but records must be available for review and audit by EDA, DOC, or other designated Government officials.

Failure to provide audit reports within the timeframes specified may result in appropriate enforcement action, up to and including termination of the Award, and may jeopardize eligibility for receiving future DOC awards.

- b. Unless otherwise specified in the Terms and Conditions of this Award, for-profit hospitals, commercial entities, and other organizations that are not subject to subpart F of 2 CFR part 200 (“Audit Requirements”) shall have a program specific audit performed by an independent auditor when the Federal share amount awarded is \$750,000 or more over the duration of the period of performance. An audit is required at least once every two years using the following schedule for audit report submission:
  - i. For Awards where the period of performance is less than two years, an audit is required within 90 calendar days of the end of the period of performance to cover the entire Project (the Project Closeout period is included in the 90 days);
  - ii. For Awards with a two- or three-year period of performance, an audit is required within 90 calendar days after the end of the first year to cover Year 1, which is the period of time when Federal funding is available for obligation by the Recipient, and within 90 calendar days of the end of the period of performance to cover Year 2 and Year 3 (if applicable) (the Project Closeout period is included in the 90 days); or
  - iii. For Awards with a four- to five-year period of performance, an audit is required within 90 calendar days after the end of the first year to cover Year 1, within 90 calendar days after the end of the third year to cover Year 2 and Year 3, and within 90 calendar days of the end of the period of performance to cover Year 4 and Year 5 (if applicable) (the Project Closeout period is included in the 90 days).
- c. EDA’s Public Works and Economic Adjustment Assistance programs generally have specific audit guidelines that will be incorporated into the Award and may be found in the annual Compliance Supplement, which is Appendix XI to 2 CFR part 200 and is available on OMB’s website ([https://www.whitehouse.gov/omb/circulars\\_default](https://www.whitehouse.gov/omb/circulars_default)). When DOC does not have a program-specific audit guide available for the program, the auditor will follow the requirements for a program-specific audit as described in 2 CFR § 200.507

(“Program-specific audits”). The Recipient may include a line item in the budget for the cost of the audit for approval. A copy of the program-specific audit shall be submitted to the Grants Officer.

- d. Recipients are responsible for compliance with the above audit requirements and for informing the Grants Officer of the status of their audit, including when the relevant audit has been completed and submitted in accordance with the requirements of this section. In accordance with 2 CFR § 200.331(d)(3) (“Requirements for pass-through entities”), pass-through entities are responsible for issuing a management decision for any audit findings pertaining to the Federal Award provided to a subrecipient.

## **2. Requirement to Submit a Copy of the Audit to EDA.**

If the Recipient’s currently valid audit required under subpart F of 2 CFR part 200 (“Audit Requirements”) contains material findings, the Recipient must submit a copy of the audit to the Project Officer, who will review it with the Grants Officer. *See also* section C.19.a.iv “Project Closeout Procedures” of these Construction ST&Cs.

## **3. Audit Resolution Process.**

- a. An audit of the Award may result in the disallowance of costs incurred by the Recipient and the establishment of a debt (account receivable) due to EDA. For this reason, the Recipient should take seriously its responsibility to respond to all audit findings and recommendations with adequate explanations and supporting evidence whenever audit results are disputed.
- b. In accordance with the *Federal Register* notice dated January 27, 1989 (54 *Fed. Reg.* 4053), a Recipient has the following opportunities to dispute the proposed disallowance of costs and the establishment of a debt after an audit:
  - i. The Recipient has 30 business days from the date of the transmittal of the “Draft Audit Report” to submit written comments and documentary evidence.
  - ii. The Recipient has 30 business days from the date of the transmittal of the “Final Audit Report” to submit written comments and documentary evidence. There will be no extension of this deadline.
  - iii. EDA shall review the documentary evidence submitted by the Recipient and shall notify the Recipient of the results in an “Audit Resolution Determination Letter.” The Recipient has 30 business days from the date of receipt of the Audit Resolution Determination Letter to submit a written appeal. There will be no extension of this deadline. The appeal is the last opportunity for the Recipient to submit written comments and documentary evidence that dispute the validity of the Audit Resolution Determination Letter.
  - iv. An appeal of the Audit Resolution Determination Letter does not prevent the establishment of the audit-related debt nor does it prevent the accrual of interest on such debt. If the Audit Resolution Determination Letter is overruled or modified on appeal, appropriate corrective action will be taken retroactively. An appeal will stay the offset of funds owed by the auditee against funds due to the auditee.
  - v. The EDA or DOC, as applicable, shall review the Recipient’s appeal. EDA shall notify the Recipient of the results in an Appeal Determination Letter. After the opportunity to

appeal has expired or after the appeal determination has been rendered, EDA or DOC will not accept any further documentary evidence from the Recipient. No other EDA or DOC administrative appeals are available.

## **G. DEBTS.**

### **1. Payment of Debts Owed the Federal Government.**

- a. The Recipient must promptly pay any debts determined by the Federal Government to be owed by the Recipient. Any funds paid to the Recipient in excess of the amount to which the Recipient is finally determined to be entitled under the terms of the Award constitute a debt to the Federal Government. In accordance with 2 CFR § 200.345 (“Collection of amounts due”), if not paid within 90 calendar days after demand, DOC may reduce a debt owed to the Federal Government by:
  - i. Making an administrative offset against other request for reimbursement;
  - ii. Withholding advance payments otherwise due to the Recipient; or
  - iii. Taking any other action permitted by Federal statute.
- b. DOC debt collection procedures are set out in 15 CFR part 19. In accordance with 2 CFR § 200.345 (“Collection of amounts due”), failure to pay a debt owed to the Federal Government shall result in the assessment of interest, penalties and administrative costs under 31 U.S.C. § 3717 and 31 CFR § 901.9. DOC entities will transfer any DOC debt that is more than 180 calendar days delinquent to the U.S. Department of the Treasury’s Financial Management Service for debt collection services, a process known as “cross-servicing,” pursuant to 31 U.S.C. § 3711(g), 31 CFR § 285.12, and 15 CFR § 19.9, and may take further action as specified in section A.6 “Noncompliance with Award Provisions” of these Construction ST&Cs. Funds for payment of a debt must not come from other Federally sponsored programs, and DOC may conduct on-site visits, audits and other reviews to verify that other Federal funds have not been used to pay a debt.

### **2. Late Payment Charges.**

- a. Interest shall be charged on the delinquent debt in accordance with section 3717(a) of the Debt Collection Act, as amended (31 U.S.C. § 3701 *et seq.*). The minimum annual interest rate to be assessed is the U.S. Department of the Treasury’s Current Value of Funds Rate (“CVFR”). The CVFR is available online at <http://www.fms.treas.gov/cvfr/index.html> and also published by the Department of the Treasury in the *Federal Register* (<http://www.gpo.gov/fdsys/browse/collection.action?collectionCode=FR>) and in the *Treasury Financial Manual Bulletin*. The assessed rate shall remain fixed for the duration of the indebtedness.
- b. Penalties shall accrue at a rate of not more than six percent per year or such other higher rate as authorized by law.
- c. Administrative charges (*i.e.*, the costs of processing and handling a delinquent debt) shall be determined by the DOC entity collecting the debt, as directed by the Office of the Chief Financial Officer and Assistant Secretary for Administration.

**3. Barring Delinquent Federal Debtors from Obtaining Federal Loans or Loan Insurance Guarantees.**

Pursuant to 31 U.S.C. § 3720B and 31 CFR § 901.6, unless waived, DOC is not permitted to extend financial assistance in the form of a loan, loan guaranty, or loan insurance to any person delinquent on a non-tax debt owed to a Federal agency. This prohibition does not apply to disaster loans.

**4. Effect of Judgment Lien on Eligibility for Federal Grants, Loans, or Programs.**

Pursuant to 28 U.S.C. § 3201(e), unless waived by DOC, a debtor who has a judgment lien against the debtor's property for a debt to the United States shall not be eligible to receive any grant or loan that is made, insured, guaranteed, or financed directly or indirectly by the United States or to receive funds directly from the Federal Government in any program, except funds to which the debtor is entitled as beneficiary, until the judgment is paid in full or otherwise satisfied.

**H. GOVERNMENTWIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT).**

The Recipient shall comply with the provisions of 2 CFR part 1326 ("Nonprocurement Debarment and Suspension") (published in the *Federal Register* on December 21, 2006, 71 *Fed. Reg.* 76573), which generally prohibit entities that have been debarred, suspended, or voluntarily excluded from participating in Federal nonprocurement transactions through either primary or lower-tier covered transactions, and which set forth the responsibilities of Recipients of Federal financial assistance regarding transactions with other persons, including subrecipients and contractors. In addition, as provided in section K.4.b "Applicability of Provisions to Subawards, Contracts, and Subcontracts" of these Construction ST&Cs, in accordance with subpart C of 2 CFR part 1326, the Recipient must include a term or condition in lower tier transactions (subawards, contracts, and subcontracts) requiring lower tier participants to comply with subpart C (entitled "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons") of the OMB guidance in 2 CFR part 180 "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)."

**I. DRUG-FREE WORKPLACE.**

The Recipient shall comply with the provisions of the Drug-Free Workplace Act of 1988 (41 U.S.C. § 8102), and DOC's implementing regulations found at 15 CFR part 29 ("Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)") which require that the Recipient take steps to provide a drug-free workplace.

**J. LOBBYING RESTRICTIONS.**

1. *Statutory and Regulatory Provisions.* The Recipient shall comply with 2 CFR § 200.450 ("Lobbying"), which incorporates the provisions of 31 U.S.C. § 1352; the "New Restrictions on Lobbying" published at 55 *Fed. Reg.* 6736 (February 26, 1990); and OMB guidance and notices on lobbying and restrictions. In addition, the Recipient must comply with the DOC's regulations published at 15 CFR part 28, which implement the "New Restrictions on Lobbying." These provisions prohibit the use of Federal funds for lobbying the executive or legislative branches of the Federal government in connection with an award, and require disclosure of the use of

non-Federal funds for lobbying. Lobbying includes attempting to improperly influence, meaning any influence that induces or tends to induce a Federal employee or officer to give consideration or to act regarding a Federal award or regulatory matter on any basis other than the merits of the matter, either directly or indirectly. Costs incurred to improperly influence are unallowable. See 2 CFR § 200.450(b) and (c).

2. *Disclosure of Lobbying Activities.* Any Recipient that receives more than \$100,000 in Federal funding shall submit a completed Form SF-LLL, "Disclosure of Lobbying Activities," regarding the use of non-Federal funds for lobbying. The Form SF-LLL shall be submitted within 30 days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The Recipient must submit any required Forms SF-LLL, including those received from subrecipients, contractors, and subcontractors, to the Project Officer.
3. *Special Provisions Relating to Indian Tribes.* As set out in 31 U.S.C. § 1352, special provisions are applicable to Indian tribes, tribal organizations, and other Indian organizations eligible to receive Federal contracts, grants, loans, or cooperative agreements. In accordance with DOC policy, EDA recognizes Tribal Employment Rights Ordinances ("TEROs"), which may provide for preferences in contracting and employment, in connection with its financial assistance awards. Federal awards granted to American Indian and Alaska Native tribal governments generally may provide for preference in contracting, hiring, firing, and the payment of a TERO fee. The payment of the TERO fee, which supports the tribal employment rights office to administer the preferences, should generally be allowable as an expense that is "necessary and reasonable for the performance of the Federal award," as provided under 2 CFR § 200.403 ("Factors affecting allowability of costs").

## **K. CODES OF CONDUCT AND SUBAWARD, CONTRACT, AND SUBCONTRACT PROVISIONS.**

### **1. Code of Conduct for Recipients.**

- a. *General conflicts-of-interest requirements.* The Recipient must comply with EDA's regulation at 13 CFR § 302.17 ("Conflicts of interest"), which articulates EDA's requirements to prevent conflicts of interest, which generally exist when an Interested Party participates in a matter that has a direct and predictable effect on the Interested Party's personal or financial interests or there is an appearance that an Interested Party's objectivity in performing his or her responsibilities under the Project is impaired. In addition, in accordance with 2 CFR § 200.112 ("Conflict of interest"), the Recipient must disclose to EDA in writing any potential conflict of interest. In addition, pursuant to the certification in Form SF-424D, paragraph 7, the Recipient must maintain written standards of conduct to establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflicts of interest or personal gain in the administration of this Award.
- b. *Procurement-related conflicts of interest.* In addition, in accordance with 2 CFR § 200.318 ("General procurement standards"), the Recipient must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award and administration of contracts.

## 2. Applicability of Award Provisions to Subrecipients.

- a. The Recipient or pass-through entity shall require all subrecipients, including lower tier subrecipients, under the Award to comply with the provisions of this Award, including applicable provisions of the Uniform Guidance (2 CFR part 200), and all associated terms and conditions. *See* 2 CFR §§ 200.330 (“Subrecipient and contractor determinations”) through 200.332 (“Fixed amount subawards”) and 2 CFR § 200.101(b)(1) (“Applicability”), which describes the applicability of 2 CFR part 200 to various types of Federal awards.
- b. In accordance with 2 CFR § 200.331 (“Requirements for pass-through entities”), all pass-through entities must:
  - i. *Subaward Identification*. Clearly identify every subaward to the subrecipient at the time of the subaward, including subsequent subaward modification. In accordance with 2 CFR § 200.331(a), required information includes:
    - (1) All Award information data elements set out at 2 CFR § 200.331(a)(1);
    - (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal Award is used in accordance with Federal statutes, regulations and the Terms and Conditions of the Award;
    - (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency, including identification of required financial and performance reports;
    - (4) Indirect cost rate information in accordance with 2 CFR § 200.331(a)(4);
    - (5) Access requirements for the subrecipient’s records and financial statements in accordance with 2 CFR § 200.331(a)(5); and
    - (6) Appropriate terms and conditions concerning closeout of the subaward.
  - ii. *Risk-Based Subrecipient Evaluation*. Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring in accordance with 2 CFR § 200.331(b).
  - iii. *Subaward Conditions*. Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in 2 CFR § 200.207 (“Specific conditions”).
  - iv. *Subrecipient Monitoring*. In accordance with 2 CFR § 200.331(d), monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal requirements, and that the subaward performance goals are achieved. Subrecipient monitoring must include:
    - (1) Reviewing financial and programmatic reports required by the pass-through entity;
    - (2) Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means; and

- (3) Issuing a management decision for audit findings pertaining to the Award provided to the subrecipient from the pass-through entity as required by 2 CFR § 200.521 (“Management decision”).
- v. *Utilizing Risk-Based Monitoring Tools.* In accordance with 2 CFR § 200.331(e), depending on the Recipient’s evaluation of each subrecipient’s risk, utilize appropriate monitoring tools, including training and technical assistance, performing on-site reviews, and arranging agreed-upon-procedures engagements as described in 2 CFR § 200.425 (“Audit services”).
- vi. *Subrecipient Audits.* Verify that every subrecipient is audited as required by subpart F of 2 CFR part 200 (“Audit Requirements”) when it is expected that the subrecipient’s Federal awards expended during the fiscal year equaled or exceeded the threshold set forth in 2 CFR § 200.501 (“Audit requirements”).
- vii. *Necessary Adjustments to the Pass-Through Entity’s Records.* Consider whether the results of the subrecipient’s audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity’s own records.
- viii. *Enforcement Action.* Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR § 200.338 (“Remedies for noncompliance”) and in applicable program regulations.

See also 2 CFR § 200.331 for the full text of requirements for pass-through entities.

### **3. Competition and Codes of Conduct for Subawards.**

- a. The Recipient must be alert to organizational conflicts of interest as well as other practices among subrecipients that may restrict or eliminate competition.
- b. The Recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of subawards. No employee, officer, or agent shall participate in the selection, award, or administration of a subaward supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization in which he or she serves as an officer or which employs or is about to employ any of the parties mentioned in this section, has a financial interest or other interest in the organization selected or to be selected for a subaward. The officers, employees, and agents of the Recipient shall neither solicit nor accept anything of monetary value from subrecipients. However, the Recipient may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Recipient.
- c. A financial interest may include employment, stock ownership, a creditor or debtor relationship, or prospective employment with the organization selected or to be selected for a subaward. An appearance of impairment of objectivity could result from an organizational conflict where, because of other activities or relationships with other persons or entities, a person is unable or potentially unable to render impartial assistance or advice. It could also result from non-financial gain to the individual, such as benefit to reputation or prestige in a professional field.

#### 4. Applicability of Provisions to Subawards, Contracts, and Subcontracts.

- a. The Recipient shall include the following notice in each request for applications or bids for a subaward, contract, or subcontract, as applicable:

*Applicants/bidders for a lower tier covered transaction (except procurement contracts for goods and services under \$25,000 not requiring the consent of a DOC official) are subject to subpart C of 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)." In addition, applicants/bidders for a lower tier covered transaction for a subaward, contract, or subcontract greater than \$100,000 of Federal funds at any tier are subject to 15 CFR part 28, "New Restrictions on Lobbying."*

*Applicants/bidders should familiarize themselves with these provisions, including the certification requirement. Therefore, Applications for a lower tier covered transaction must include a Form CD-512, "Certification Regarding Lobbying—Lower Tier Covered Transactions," completed without modification.*

- b. The Recipient shall include a term or condition in all lower tier covered transactions (subawards, contracts, and subcontracts) requiring lower tier participants to comply with subpart C of 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)."
- c. Required subaward and contractual provisions:
  - i. The Recipient shall include a statement in all lower tier covered transactions (subawards, contracts, and subcontracts) exceeding \$100,000 in Federal funds that the subaward, contract, or subcontract is subject to 31 U.S.C. § 1352, as implemented at 15 CFR part 28 ("New Restrictions on Lobbying"). The Recipient shall further require the subrecipient, contractor, or subcontractor to submit a completed "Disclosure of Lobbying Activities" (Form SF-LLL) regarding the use of non-Federal funds for lobbying. The Form SF-LLL shall be submitted within 15 days following the end of the calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed. The Form SF-LLL shall be submitted from tier to tier until received by the Recipient. The Recipient must submit all disclosure forms received, including those that report lobbying activity on its own behalf, to the Project Officer within 30 days following the end of the calendar quarter.
  - ii. In addition to other provisions required by the Federal agency or Recipient, in accordance with 2 CFR § 200.326 ("Contract provisions"), all contracts made by the Recipient under this Award must contain the applicable provisions set out in Appendix II to 2 CFR part 200 ("Contract Provisions for Non-Federal Entity Contracts Under Federal Awards"), which address various contractual requirements including remedies, termination for cause and convenience, Equal Employment Opportunity, the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, rights to inventions, environmental quality, energy efficiency, debarment and suspension, the Byrd Anti-Lobbying Amendment, and procurement of recovered materials. *See Appendix II to 2 CFR part 200 for a full explanation of these requirements.*

**5. Pilot Program for Enhancement of Employee Whistleblower Protections.**

The National Defense Authorization Act (“NDAA”) for Fiscal Year 2013 (Pub. L. No. 112-239, enacted January 2, 2013 and codified at 41 U.S.C. § 4712) includes a pilot program for whistleblower protection. It applies to all DOC awards, subawards, and contracts under awards issued beginning July 1, 2013 through January 1, 2017. This term implements that law.

In accordance with 41 U.S.C. § 4712, an employee of a Recipient or contractor under a Federal award or subaward may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body information that the employee reasonably believes is evidence of gross mismanagement of a Federal award or subaward or contract under a Federal award or subaward, a gross waste of Federal funds, an abuse of authority related to a Federal award or subaward, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal award or subaward or contract under a Federal award or subaward. These persons or bodies include:

- a. A Member of Congress or a representative of a committee of Congress.
- b. An Inspector General.
- c. The Government Accountability Office.
- d. A Federal employee responsible for contract or grant oversight or management at the relevant agency.
- e. An authorized official of the Department of Justice or other law enforcement agency.
- f. A court or grand jury.
- g. A management official or other employee of the contractor, subcontractor, or grantee who has the responsibility to investigate, discover, or address misconduct.

Recipients and contractors under Federal awards and subawards shall inform their employees in writing of the rights and remedies provided under 41 U.S.C. § 4712, in the predominant native language of the workforce.

**6. Small Businesses, Minority Business Enterprises, and Women’s Business Enterprises.**

In accordance with 2 CFR § 200.321 (“Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms”), the Recipient must take all necessary affirmative steps to ensure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. DOC encourages Recipients to utilize small businesses, minority business enterprises, and women’s business enterprises in contracts under financial assistance awards. The Minority Business Development Agency (“MBDA”) within DOC will assist Recipients in matching qualified minority business enterprises with contract opportunities. For further information, the Recipient may visit MBDA’s website at <http://www.mbda.gov> or contact MBDA via telephone or mail:

U.S. Department of Commerce  
Minority Business Development Agency  
Herbert C. Hoover Building  
14<sup>th</sup> Street and Constitution Avenue, N.W.

Washington, D.C. 20230  
(202) 482-0101

**7. Subaward to or Contract with a Federal Agency.**

- a. The Recipient, contractor and/or subcontractor shall not subgrant or subcontract any part of the approved Project to any agency or employee of DOC or any other Federal department, agency, or instrumentality without the prior written approval of the Grants Officer.
- b. The Recipient must submit requests for approval of such action to the Project Officer, who shall review and make a recommendation to the Grants Officer. The Grants Officer must forward all requests to the Federal Assistance Law Division in the Office of the Department of Commerce Assistant General Counsel for Administration and Transactions for review prior to making the final determination. The Grants Officer will notify the Recipient in writing of the final determination.

**8. EDA Contracting Provisions for Construction Projects.**

The Recipient shall use the “*EDA Contracting Provisions for Construction Projects*” as guidance in developing all construction contracts. The “*EDA Contracting Provisions for Construction Projects*” lists applicable EDA and other Federal requirements for construction contracts.

**L. PROPERTY.**

**1. Standards.**

With respect to any property acquired or improved in whole or in part with EDA investment assistance under this Award, the Recipient shall comply with the Property Standards set forth at 2 CFR §§ 200.310 (“Insurance coverage”) through 200.316 (“Property trust relationship”), and EDA’s regulations at 13 CFR part 314. Property acquired or improved in whole or in part by the Recipient under this Award may consist of real property; personal property, including equipment and supplies; and intangible property, such as money, notes, and security interests. Any property reports required under 2 CFR §§ 200.310 through 200.316, such as periodic inventories and requests for disposition instructions, must be submitted to the Grants Officer through the Project Officer on Form SF-428 and/or SF-429, as applicable. *See also* section C.2 “Reporting on Real Property” of these Construction ST&Cs.

**2. Title.**

- a. Title to equipment, supplies, and intangible property acquired in whole or in part under this Award generally vests upon acquisition in the Recipient. The use, management and disposition of equipment, supplies, and intangible property acquired in whole or in part under this Award shall be in accordance with 2 CFR §§ 200.313 (“Equipment”), 200.314 (“Supplies”), and 200.315 (“Intangible property”), as applicable, and EDA regulations at 13 CFR part 314. *See also* section O.4 “Intellectual Property Rights” of these Construction ST&Cs.
- b. Title to real property acquired in whole or in part under this Award generally vests upon acquisition in the Recipient, subject to the condition that the Recipient uses the real property

for the authorized purpose of the Project. *See* 2 CFR § 200.311 (“Real property”) and EDA regulations at 13 CFR part 314.

### 3. EDA’s Interest in Award Property.

- a. *General - Evidence of Title.* As stated in section A.4 “Grant Recipient as Trustee” of these Construction ST&Cs, real property, equipment, and intangible property acquired or improved under this Award must be held in trust by the Recipient as trustee for the beneficiaries of the Project for which the property was acquired or improved. This trust relationship exists throughout the duration of the property’s estimated useful life, as determined by the Grants Officer in consultation with the Project Officer, during which time the Federal Government retains an undivided, equitable reversionary interest in the property (Federal Interest).

Before advertising for construction bids or at such other time as EDA requires, the Recipient must furnish evidence, satisfactory in form and substance to the Government, that title to real property required for the Project (other than property of the United States and as provided in 13 CFR § 314.7(c) (“Title”)) is vested in the Recipient and that such easements, rights-of-way, State or local government permits, long-term leases, or other items required for the Project have been or will be obtained by the Recipient within an acceptable time, as determined by the Government. All liens, mortgages, other encumbrances, reservations, reversionary interests, or other restrictions on title or the Recipient’s interest in the property must be disclosed to EDA. With limited exceptions set forth at 13 CFR § 314.6(b) (“Encumbrances”) or as otherwise authorized by EDA, Recipient-owned property acquired or improved in whole or in part with EDA investment assistance must not be used to secure a mortgage or deed of trust or in any way otherwise encumbered. *See* 13 CFR § 314.6.

- b. *Recording EDA’s Interest in Real Property.*
  - i. For all Projects involving the acquisition, construction, or improvement of a building, as determined by EDA, the Recipient shall execute and furnish to the Government, prior to initial Award disbursement, a lien, covenant, or other statement, satisfactory to EDA in form and substance, of EDA’s interest in the property acquired or improved in whole or in part with the funds made available under this Award. EDA may require such statement after initial Award disbursement in the event that grant funds are being used to acquire such property. The statement must specify the estimated useful life of the Project and shall include but not be limited to the disposition, encumbrance, and the Federal Share compensation requirements. *See* 13 CFR §§ 314.1 (“Definitions”) and 314.8(a) (“Recorded statement for real property”). *See also* 2 CFR § 200.316 (“Property trust relationship”).
  - ii. This lien, covenant, or other statement of the Government’s interest must be perfected and placed of record in the real property records of the jurisdiction in which the property is located, all in accordance with applicable law. EDA may require an opinion of counsel for the Recipient to substantiate that the document was validly executed and properly recorded. *See* 13 CFR § 314.8(b).
  - iii. Facilities in which the EDA investment is only a small part of a larger project, as determined by EDA, may be exempted from the requirements listed in paragraphs L.3.b.i and ii above. *See* 13 CFR § 314.8(c).

- iv. In extraordinary circumstances and at EDA's sole discretion, EDA may choose to accept another instrument to protect EDA's interest in the Project property, such as an escrow agreement or letter of credit, provided that EDA determines such instrument is adequate and a recorded statement in accord with section L.3.b.i above is not reasonably available. The terms and provisions of the relevant instrument shall be satisfactory to EDA in EDA's sole judgment. The costs and fees for escrow services or letters of credit shall be paid by the Recipient. *See* 13 CFR § 314.8(d).
- c. *Recording EDA's Interest in Personal Property.* For all Projects involving the acquisition or improvement of significant items of personal property, including but not limited to ships, machinery, equipment, removable fixtures, or structural components of buildings, the Recipient shall execute a security interest, covenant, or other statement of EDA's reversionary interest in the personal property acceptable in form and substance to EDA, which statement must be perfected and placed of record in accordance with applicable law (usually accomplished by filing a Uniform Commercial Code Financing Statement (Form UCC-1), as provided by State law), with continuances re-filed as appropriate. EDA may require an opinion of counsel for the Recipient to substantiate that the Form UCC-1 or other filing was validly executed and properly recorded. *See* 13 CFR § 314.9 ("Recorded statement for personal property").
- d. The Recipient acknowledges that the Government retains an undivided equitable reversionary interest in property acquired or improved in whole or in part with grant funds made available through this Award throughout the estimated useful life (as determined by EDA) of the Project, except in applicable instances set forth at 13 CFR § 314.7(c) ("Title"). *See* 13 CFR § 314.2(a) ("Federal interest").
- e. The Recipient agrees that if any interest in property acquired or improved in whole or in part with EDA investment assistance is disposed of, encumbered or alienated in any manner, or no longer used for the authorized purposes of the Award during the Project's estimated useful life without EDA's written approval, the Government will be entitled to recover the Federal Share, as defined at 13 CFR § 314.5 ("Federal share"). If, during the Project's estimated useful life, the property is no longer needed for the purposes of the Award, as determined by EDA, EDA may permit its use for other acceptable purposes consistent with those authorized by PWEDA and 13 CFR Chapter III. *See* 13 CFR § 314.3(b) ("Authorized use of property").
- f. For purposes of any lien or security interest, the amount of the Federal Share shall be the portion of the current fair market value of any property (after deducting any actual and reasonable selling and repair expenses incurred to put the property into marketable condition) attributable to EDA's participation in the Project. *See* 13 CFR § 314.5 ("Federal share").
- g. The alienation of Award property includes sale or other conveyance of the Recipient's interest, leasing or mortgaging the property, or granting an option for any of the foregoing.
- h. In accordance with 2 CFR § 200.329 ("Reporting on real property"), the Federal awarding agency or pass through entity must require a non-Federal entity to submit reports (using Form SF-429 "Real Property Status Report" or any successor form) at least annually on the status of real property in which the Federal Government retains an interest, unless the Federal Interest in the real property extends 15 years or longer. In those instances where the Federal Interest attached is for a period of 15 years or more, the Federal awarding agency or

pass-through entity, at its option, may require the non-Federal entity to report at various multi-year frequencies (*e.g.*, every two years or every three years, not to exceed a five-year reporting period; or annual reporting for the first three years and thereafter every five years). The Federal awarding agency or pass-through entity may also require a non-Federal entity to periodically submit reports (using Form SF-428 “Tangible Personal Property Report” or any successor form) concerning tangible personal property in which the Federal Government retains an interest. In addition, the Federal awarding agency or pass-through entity may require a non-Federal entity to submit Form SF-429 and/or Form SF-428 in connection with a non-Federal entity’s request to acquire, encumber, dispose of, or take any other action pertaining to real property or tangible personal property acquired or improved, in whole or in part, under this Award or pertaining to Federally owned property under this Award. *See also* section C.2 “Reporting on Real Property” of these Construction ST&Cs.

#### **4. Insurance and Bonding.**

- a. *Insurance.* The Recipient shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided for property owned by the Recipient. Federally owned property need not be otherwise insured unless required by the Terms and Conditions of the Award. *See* 2 CFR § 200.310 (“Insurance coverage”).
- b. *Bonding.* If the Award exceeds the simplified acquisition threshold as defined at 2 CFR § 200.88, EDA may accept the Recipient’s or subrecipient’s bonding policy and requirements if EDA or the pass-through entity determines that the Federal Interest is adequately protected. If not, the following minimum requirements shall apply:
  - i. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
  - ii. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
  - iii. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to ensure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. *See* 2 CFR § 200.325 (“Bonding requirements”).

#### **5. Leasing Restrictions.**

Leasing or renting of facilities or property is prohibited unless specifically authorized by EDA. The Recipient agrees that any leasing or renting of any facilities or property involved in this Project will be subject to the following:

- a. That said lease arrangement is consistent with the authorized general and special purpose of the Award;
- b. That said lease arrangement is for adequate consideration; and

- c. That said lease arrangement is consistent with applicable EDA requirements concerning but not limited to nondiscrimination and environmental compliance.

#### **6. Eminent Domain.**

The Recipient will use funds solely for the authorized purpose of the Project. Pursuant to Executive Order 13406, "Protecting the Property Rights of the American People," the Recipient agrees:

- a. Not to exercise any power of eminent domain available to the Recipient (including the commencement of eminent domain proceedings) for use in connection with the Project for the purpose of advancing the economic interests of private parties; and
- b. Not to accept title to land, easements, or other interests in land acquired by the exercise of any power of eminent domain for use in connection with the Project for such purposes.

The Recipient agrees that any use of the power of eminent domain to acquire land, easements, or interests in land, whether by the Recipient or any other entity that has the power of eminent domain, in connection with the Project without the prior written consent of EDA is an unauthorized use of the Project. If the Recipient puts the Project to an unauthorized use, the Recipient shall compensate EDA for its fair share in accordance with 13 CFR §§ 314.4 ("Unauthorized use of property") and 314.5 ("Federal share"), as the same may be amended from time to time.

#### **7. Disposal of Real Property.**

- a. During the estimated useful life of the Project, if EDA and the Recipient determine that property acquired or improved in whole or in part with EDA investment assistance is no longer needed for the original purposes of this Award, EDA may, in its sole discretion, approve use of the property in other Federal grant programs or in programs that have purposes consistent with those authorized by PWEDA and 13 CFR Chapter III. See 13 CFR § 314.3(b) ("Authorized use of property").
- b. When property is not disposed of as provided in section L.7.a above, the Government shall determine final disposition and must be compensated by the Recipient for the Federal Share of the value of the property, plus costs and interest, as provided in 13 CFR § 314.4 ("Unauthorized use of property").

#### **M. FEDERAL ENVIRONMENTAL REQUIREMENTS.**

Environmental impacts must be considered by Federal decision-makers in their decisions whether or not to approve: (i) a proposal for Federal assistance; (ii) the proposal with mitigation; or (iii) a different proposal/grant having less adverse environmental impacts. Federal environmental laws require that the funding agency initiate an early planning process that considers potential impacts of the projects funded with Federal assistance on the environment. Each Recipient must comply with all environmental standards, to include those prescribed under the following statutes and executive orders, and shall identify to the awarding agency any impact a proposed project may have on the environment. In some cases, Award funds can be withheld by the Grants Officer under a special award condition requiring the Recipient to submit additional environmental compliance information

sufficient to enable the DOC to make an assessment on any impacts that a project may have on the environment.

**1. The National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*).**

The National Environmental Policy Act (“NEPA”) and the Council on Environmental Quality (“CEQ”) implementing regulations (40 CFR parts 1500–1508) require that an environmental analysis be completed for all major Federal actions significantly affecting the environment. NEPA applies to the actions of Federal agencies and may include a Federal agency’s decision to fund non-Federal projects under grants and cooperative agreements when the Award activities remain subject to Federal authority and control. Recipients are required to identify to the awarding agency any impact an award will have on the quality of the human environment, and assist the agency in complying with NEPA. Recipients may also be requested to assist EDA in drafting an environmental assessment if EDA determines an assessment is required. Until the appropriate NEPA documentation is complete, and if any additional information is required during the period of performance to assess Project environmental impacts, funds can be withheld by the Grants Officer under a special award condition requiring the Recipient to submit the appropriate NEPA documentation sufficient to enable EDA to make an assessment on any environmental impacts of a Project.

**2. National Historic Preservation Act (54 U.S.C. § 300101 *et seq.*).**

Section 106 of the National Historic Preservation Act (“NHPA”) (54 U.S.C. § 300101 *et seq.* (formerly codified at 16 U.S.C. § 470f)) and the Advisory Council on Historic Preservation implementing regulations (36 CFR part 800) require that Federal agencies take into account the effects of their undertakings on historic properties. Recipients are required to identify to the awarding agency any effects the Award may have on properties included on or eligible for inclusion on the National Register of Historic Places. Recipients may also be requested to assist EDA in consulting with State or Tribal Historic Preservation Officers or other applicable interested parties necessary to identify, assess and resolve adverse effects on historic properties. Until the appropriate NHPA consultations and documentation are complete and if any additional information is required during the period of performance in order to assess Project impacts on historic properties, funds can be withheld by the Grants Officer under a special award condition requiring the Recipient to submit any information sufficient to enable EDA to make the requisite assessment under the NHPA.

**3. Environmental Quality Improvement Act of 1970, as amended (42 U.S.C. §§ 4371–4375).**

Federally supported public works facilities and activities that affect the environment shall be implemented in compliance with policies established under existing law.

**4. Clean Air Act (42 U.S.C. § 7401 *et seq.*), Federal Water Pollution Control Act (33 U.S.C. § 1251 *et seq.*) (Clean Water Act), and Executive Order 11738 (“Providing for Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans”).**

The Recipient must comply with the provisions of the Clean Air Act (42 U.S.C. § 7401 *et seq.*), Clean Water Act (33 U.S.C. § 1251 *et seq.*), and Executive Order 11738 (38 *Fed. Reg.* 25161, 1973), and shall not use a facility on the Environmental Protection Agency’s (“EPA’s”) *List of*

*Violating Facilities* (this list is incorporated into the Excluded Parties List System located at <https://www.sam.gov/portal/public/SAM/>) in undertaking work that is nonexempt under 2 CFR § 1532, and shall notify the Project Officer in writing if it intends to use a facility that is on the EPA's *List of Violating Facilities* or knows that the facility has been recommended to be placed on the list.

**5. The Safe Drinking Water Act of 1974, as amended (42 U.S.C. § 300f *et seq.*).**

This Act precludes Federal assistance for any project that the EPA determines may contaminate a sole source aquifer so as to threaten public health.

**6. Executive Order 11988 (“Floodplain Management”) and Executive Order 11990 (“Protection of Wetlands”).**

Recipients must identify proposed actions in Federally defined floodplains and wetlands to enable the agency to make a determination whether there is an alternative to minimize any potential harm.

**7. The Flood Disaster Protection Act (42 U.S.C. § 4002 *et seq.*), and regulations and guidelines issued thereunder by the U.S. Federal Emergency Management Administration (“FEMA”) or by EDA.**

Flood insurance, when available, is required for Federally assisted construction or acquisition in flood-prone areas.

**8. The Coastal Zone Management Act (16 U.S.C. § 1451 *et seq.*).**

Funded projects must be consistent with a coastal State's approved management plan for the coastal zone.

**9. The Coastal Barrier Resources Act (16 U.S.C. § 3501 *et seq.*).**

Only in certain circumstances can Federal funding be provided for actions within a Coastal Barrier System.

**10. The Wild and Scenic Rivers Act (16 U.S.C. § 1271 *et seq.*).**

This Act applies to awards that may affect existing or proposed components of the National Wild and Scenic Rivers system.

**11. The Fish and Wildlife Coordination Act (16 U.S.C. § 661 *et seq.*).**

This Act requires the evaluation of impacts to fish and wildlife from Federally assisted proposed water resource development projects.

**12. The Endangered Species Act (16 U.S.C. § 1531 *et seq.*).**

The Recipient must identify any impact or activities that may involve a threatened or endangered species. Federal agencies have the responsibility to ensure that no adverse effects to a protected species or habitat occur from actions with Federal financial assistance and to conduct the required reviews under the Endangered Species Act, as applicable.

**13. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, more commonly known as Superfund) (42 U.S.C. § 9601 *et seq.*), and the Community Environmental Response Facilitation Act (Pub. L. No. 102-426, 42 U.S.C. §§ 9601 *note et seq.* and 9620(h)(4)).**

These requirements address responsibilities related to hazardous substance releases, threatened releases, and environmental cleanup. They also impose reporting and community involvement requirements to ensure disclosure of the release or disposal of regulated substances and cleanup of hazards to State and local emergency responders.

**14. The Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*).**

This Act regulates the generation, transportation, treatment, and disposal of hazardous wastes, and also provides that Recipients give preference in their procurement programs to the purchase of recycled products pursuant to EPA guidelines.

**15. Executive Order 12898 (“Environmental Justice in Minority Populations and Low-Income Populations”).**

Federal agencies are required to identify and address any disproportionately high adverse human health or environmental effects of Federal programs, policies, and activities on low-income and minority populations.

**16. The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4821 *et seq.*).**

Use of lead-based paint in residential structures constructed or rehabilitated by the Federal Government or with Federal assistance is prohibited.

**17. The Farmland Protection Policy Act (7 U.S.C. §§ 4201–4209).**

Projects are subject to review under this Act if they may irreversibly directly or indirectly convert farmland, including forest land, pastureland, cropland, or other land, to nonagricultural use.

**18. The Noise Control Act of 1972 (42 U.S.C. § 4901 *et seq.*).**

Federally supported facilities and activities shall comply with Federal, State, interstate, and local requirements respecting control and abatement of environmental noise to the same extent that any person is subject to such requirements.

**19. The Native American Graves Protection and Repatriation Act (25 U.S.C. § 3001 *et seq.*).**

This Act provides a process for returning certain Native American cultural items to lineal descendants, culturally affiliated Indian tribes, and Native Hawaiian organizations.

**N. NOTICE AND EVIDENCE OF COMPLIANCE WITH ALL APPLICABLE ENVIRONMENTAL REQUIREMENTS.**

The Recipient agrees to promptly notify the Grants Officer in writing of any environmental requirement or restriction, regulatory or otherwise, with which it must comply. Before Project Closeout and final disbursement of Award funds, the Recipient further agrees to provide evidence satisfactory to the Grants Officer that any required environmental remediation has been completed: (1) in compliance with all applicable Federal, State and local regulations; and (2) as set forth in the

applicable lease, finding of suitability to lease (“FOSL”), lease in furtherance of conveyance, quitclaim deed, or other conveyance instrument and any amendments, supplements, or succeeding documents. Compliance with said laws or restrictions shall be included in any contract documents for Project construction. The Recipient must certify compliance before final disbursement of grant funds.

## **O. MISCELLANEOUS REQUIREMENTS.**

### **1. Criminal and Prohibited Activities.**

- a. The Program Fraud Civil Remedies Act (31 U.S.C. § 3801 *et seq.*) provides for the imposition of civil penalties against persons who make false, fictitious, or fraudulent claims to the Federal Government for money (including money representing grants, loans, or other benefits).
- b. The False Claims Amendment Act of 1986 and the False Statements Accountability Act of 1996 (18 U.S.C. §§ 287 and 1001, respectively) provide that whoever makes or presents any false, fictitious, or fraudulent statement, representation, or claim against the United States shall be subject to imprisonment of not more than five years and shall be subject to a fine in the amount provided by 18 U.S.C. § 287.
- c. The Civil False Claims Act (31 U.S.C. §§ 3729–3733) provides that suits can be brought by the Government, or a person on behalf of the Government, for false claims under Federal assistance programs.
- d. The Copeland “Anti-Kickback” Act (18 U.S.C. § 874) prohibits a person or organization engaged in a Federally supported Project from enticing an employee working on the Project from giving up a part of his or her compensation under an employment contract. The Copeland “Anti-Kickback” Act also applies to contractors and subcontractors pursuant to 40 U.S.C. § 3145.

### **2. Foreign Travel.**

- a. The Recipient shall comply with the provisions of the Fly America Act (49 U.S.C. § 40118). The implementing regulations of the Fly America Act are found at 41 CFR §§ 301-10.131 through 301-10.143.
- b. The Fly America Act requires Federal travelers and others performing U.S. Government financed air travel to use U.S. flag air carriers, to the extent that service by such carriers is available. Foreign air carriers may be used only in specific instances, such as when a U.S. flag air carrier is unavailable or when use of U.S. flag air carrier service will not accomplish the agency’s mission.
- c. One exception to the requirement to fly U.S. flag carriers is transportation provided under a bilateral or multilateral air transport agreement, to which the United States Government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act pursuant to 49 U.S.C. § 40118(b). The United States Government has entered into bilateral and multilateral “Open Skies Agreements” (U.S. Government Procured Transportation) that allow Federally funded transportation services for travel and cargo movements to use foreign air carriers under certain circumstances. There are multiple Open Skies Agreements currently

in effect. For more information about the current bilateral and multilateral agreements, visit the General Services Administration (“GSA”) website at <http://www.gsa.gov/portal/content/103191>. Information on the Open Skies Agreements (U.S. Government Procured Transportation) and other specific country agreements may be accessed via the Department of State’s website at <http://www.state.gov/e/eeb/tra/>.

- d. If a foreign air carrier is anticipated to be used for any portion of travel under this Award, the Recipient must receive prior approval from the Grants Officer. When requesting such approval, the Recipient must provide a justification in accordance with the guidance provided by 41 CFR § 301-10.142, which requires the Recipient to provide the Grants Officer with the following: (i) his or her name; (ii) dates of travel; (iii) the origin and destination of travel; (iv) a detailed itinerary of travel; (v) the name of the air carrier and flight number for each leg of the trip; and (vi) a statement explaining why the Recipient meets one of the exceptions to the regulations. If the use of a foreign air carrier is pursuant to a bilateral agreement, the Recipient must provide the Grants Officer with a copy of the agreement or a citation to the official agreement available on the GSA website. The Grants Officer shall make the final determination and notify the Recipient in writing. Failure to adhere to the provisions of the Fly America Act will result in disallowance of any transportation costs for which any Recipient improperly used a foreign air carrier.

### 3. American-Made Equipment and Products.

Recipients are hereby notified that they are encouraged, to the greatest extent practicable, to purchase American-made equipment and products with funding provided under this Award.

### 4. Intellectual Property Rights.

- a. **General.** The rights to any work produced or purchased under this Award are determined by 2 CFR § 200.315 (“Intangible property”). The Recipient owns any work produced or purchased under a Federal award subject to the DOC’s royalty-free, nonexclusive, and irrevocable right to obtain, reproduce, publish, or use the work or authorize others to receive, reproduce, publish, or otherwise use the work for Government purposes. In accordance with 2 CFR § 200.315(d), the Federal Government has the right to obtain, reproduce, publish, or otherwise use the data produced under a Federal award and authorize others to receive, reproduce, publish or otherwise use such data for Federal purposes.
- b. **Inventions.** Unless otherwise provided by law, the rights to any invention made by a Recipient under this Award are determined by the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and as codified at 35 U.S.C. § 200 *et seq.*, except as otherwise required by law. The specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from Federal awards are described in more detail at 37 CFR part 401 and, in particular, in the standard patent rights clause at 37 CFR § 401.14, which is hereby incorporated by reference into this Award.
  - i. **Ownership.**
    - (1) *Recipient.* The Recipient has the right to elect to retain title to any invention it makes (conceived or first actually reduced to practice) or that is made by its employees. A Recipient that is a nonprofit organization, which includes a university or other institution of higher learning, may not assign to a third party its rights to such an

invention without the permission of DOC unless that assignment is to a patent management organization (e.g., a university's Research Foundation). The Recipient's ownership rights are subject to the Government's nonexclusive, nontransferrable, irrevocable, paid-up license and other rights.

- (2) *Department*. If the Recipient elects not to retain title, fails to disclose the invention to the agency within the required time limits, or does not file a patent application within the time limits set forth in the standard patent rights clause, DOC may request an assignment of all rights, which is normally subject to a limited royalty-free, nonexclusive, revocable license for the Recipient. DOC owns any invention made solely by its employees, but may license to the Recipient in accordance with the procedures in 37 CFR part 404.
  - (3) *Inventor/Employee*. If neither the Recipient nor DOC is interested in owning an invention by a Recipient employee, the Recipient, with the written concurrence of the DOC, may allow the inventor/employee to retain ownership of the invention subject to certain restrictions as described at 37 CFR § 401.9.
  - (4) *Joint Inventions*. Inventions made jointly by a Recipient and a DOC employee will be owned jointly by the Recipient and DOC. However, DOC may transfer or license its rights to the Recipient as authorized by 35 U.S.C. § 202(e) and 37 CFR § 401.10 if the Recipient is willing to patent and license the invention, usually in exchange for a share of "net" royalties based on the number of inventors (e.g., 50-50 if there is one Recipient inventor and one DOC employee inventor). The agreement will be prepared by DOC and may include other provisions, such as a royalty-free license to the Government and certain other entities. The provision at 35 U.S.C. § 202(e) also authorizes the Recipient to transfer its rights to the Government, which can agree to share royalties similarly as described above.
- ii. *Responsibilities – iEdison*. The Recipient has responsibilities and duties set forth in the standard patent rights clause, which are described below. The Recipient is expected to comply with all requirements of the standard patent rights clause and 37 CFR part 401 and is required to submit its disclosures, elections, and requests for waivers from any requirement for substantial U.S. manufacture electronically using the Interagency Edison extramural invention reporting system (iEdison) at [www.iedison.gov](http://www.iedison.gov). The Recipient may obtain a waiver of this electronic submission requirement by providing DOC compelling reasons for allowing the submission of paper copies of reports related to inventions.
- c. **Patent Notification Procedures**. Pursuant to Executive Order 12889 (58 *Fed. Reg.* 69681, 1993), DOC is required to notify the owner of any valid patent covering technology whenever DOC or a Recipient, without making a patent search, knows (or has demonstrable reasonable grounds to know) that technology covered by a valid United States patent has been or will be used without a license from the owner. To ensure proper notification, if the Recipient uses or has used patented technology under this Award without a license or permission from the owner, the Recipient must notify the Grants Officer. This notice does not constitute authorization or consent by the Government to any copyright or patent infringement occurring under the Award.
  - d. **Copyright**. A Recipient may copyright any work produced under this Award subject to DOC's royalty-free, nonexclusive, and irrevocable right to obtain, reproduce, publish or

otherwise use the work or authorize others to do so for Government purposes. Works jointly authored by DOC and Recipient employees may be copyrighted, but only the part of such works authored by the Recipient is protectable in the United States because, under 17 U.S.C. § 105, works produced by Government employees are not copyrightable in the United States. On occasion and as permitted under 17 U.S.C. § 105, DOC may require the Recipient to transfer to DOC a copyright in a particular work for Government purposes or when DOC is undertaking the primary dissemination of the work.

**5. Increasing Seat Belt Use in the United States.**

Pursuant to Executive Order 13043, Recipients should encourage employees and contractors to enforce on-the-job seat belt policies and programs when operating company-owned, rented, or personally-owned vehicles.

**6. Research Involving Human Subjects.**

- a. All proposed research involving human subjects must be conducted in accordance with 15 CFR part 27 (“Protection of Human Subjects”). No research involving human subjects is permitted under this Award unless expressly authorized by special award condition or otherwise authorized in writing by the Grants Officer.
- b. Federal policy defines a human subject as a living individual about whom an investigator conducting research obtains (i) data through intervention or interaction with the individual, or (ii) identifiable private information. Research means a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge.
- c. DOC regulations at 15 CFR part 27 require that the Recipient maintain appropriate policies and procedures for the protection of human subjects. In the event it becomes evident that human subjects may be involved in this Project, the Recipient shall submit appropriate documentation to the Project Officer for approval. This documentation may include:
  - i. Documentation establishing approval of the Project by an institutional review board (“IRB”) approved for Federal-wide use under Department of Health and Human Services guidelines (*see* 15 CFR § 27.103);
  - ii. Documentation to support an exemption for the Project under 15 CFR § 27.101(b); or
  - iii. Documentation of IRB approval of any modification to a prior approved protocol or to an informed consent form.
- d. No work involving human subjects may be undertaken, conducted, or costs incurred and/or charged for human subjects research until the appropriate documentation is approved in writing by the Grants Officer. In accordance with 15 CFR § 27.118, if research involving human subjects is proposed after an award is made, the Recipient must contact the Grants Officer and provide required documentation. Notwithstanding this prohibition, work may be initiated or costs incurred and/or charged to the Project for protocol or instrument development related to human subjects research.

## **7. Federal Employee Expenses.**

Federal agencies are generally barred from accepting funds from a Recipient to pay transportation, travel, or other expenses for any Federal employee. Use of Award funds (Federal or non-Federal) or the Recipient's provision of in-kind goods or services for the purposes of transportation, travel, or any other expenses for any Federal employee may raise appropriation augmentation issues. In addition, DOC policy prohibits the acceptance of gifts, including travel payments for Federal employees, from Recipients or applicants regardless of the source.

## **8. Minority Serving Institutions Initiative.**

Pursuant to Executive Orders 13555 ("White House Initiative on Educational Excellence for Hispanics") (75 *Fed. Reg.* 65417, 2010), 13592 ("Improving American Indian and Alaska Native Educational Opportunities and Strengthening Tribal Colleges and Universities") (76 *Fed. Reg.* 76603, 2011), and 13532 ("Promoting Excellence, Innovation, and Sustainability at Historically Black Colleges and Universities") (75 *Fed. Reg.* 9749, 2010), DOC is strongly committed to broadening the participation of minority serving institutions ("MSIs") in its financial assistance programs.

DOC's goals include achieving full participation of MSIs in order to advance the development of human potential, strengthen the nation's capacity to provide high-quality education, and increase opportunities for MSIs to participate in and benefit from Federal financial assistance programs. DOC encourages all applicants and recipients to include meaningful participation of MSIs. Institutions eligible to be considered MSIs are listed on the Department of Education website at <https://www2.ed.gov/about/offices/list/ocr/edlite-minorityinst.html>.

## **9. Research Misconduct.**

The DOC adopts, and applies to financial assistance for research, the Federal Policy on Research Misconduct ("Federal Policy") issued by the Executive Office of the President's Office of Science and Technology Policy on December 6, 2000 (65 *Fed. Reg.* 76260). As provided for in the Federal Policy, research misconduct refers to the fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. Research misconduct does not include honest errors or differences of opinion. Recipient organizations that conduct extramural research funded by the DOC must foster an atmosphere conducive to the responsible conduct of sponsored research by safeguarding against and resolving allegations of research misconduct. Recipient organizations also have the primary responsibility to prevent, detect, and investigate allegations of research misconduct and, for this purpose, may rely on their internal policies and procedures, as appropriate, to do so. Recipients must notify the Grants Officer of any allegation that meets the definition of research misconduct and detail the entity's inquiry to determine whether there is sufficient evidence to proceed with an investigation, as well as the result of any investigation. DOC may take appropriate administrative or enforcement action at any time under the Award, up to and including Award termination and possible suspension or debarment, and referral to the DOC Office of the Inspector General ("OIG"), the U.S. Department of Justice, or other appropriate investigative body.

## **10. Publications, Videos, and Acknowledgment of Sponsorship.**

- a. Publication of results or findings in appropriate professional journals and production of video or other media are encouraged as important methods of recording and reporting results of Federally funded projects, such as scientific research, and expanding access to Federally funded projects.
- b. Recipients must submit a copy of any publication materials, including but not limited to print, recorded or Internet materials, to their EDA Project Officer.
- c. When releasing information related to a funded Project, Recipients must include a statement that the Project or effort undertaken was or is sponsored by DOC.
- d. Recipients are responsible for ensuring that every publication of material based on, developed under, or produced under this Award, except scientific articles or papers appearing in scientific, technical or professional journals, contains the following disclaimer:

*This [report/video] was prepared by [Recipient name] using Federal funds under award [number] from the Economic Development Administration, U.S. Department of Commerce.*

*The statements, findings, conclusions, and recommendations are those of the author(s) and do not necessarily reflect the views of the Economic Development Administration or the U.S. Department of Commerce.*

## **11. Care and Use of Live Vertebrate Animals.**

Recipients must comply with the Laboratory Animal Welfare Act of 1966 (Pub. L. No. 89-544), as amended (7 U.S.C. § 2131 *et seq.*) (“Animal acquisition, transport, care, handling, and use in projects”), and the implementing regulations at 9 CFR parts 1, 2, and 3; the Endangered Species Act (16 U.S.C. § 1531 *et seq.*); the Marine Mammal Protection Act (16 U.S.C. § 1361 *et seq.*) (“Taking possession, transport, purchase, sale, export or import of wildlife and plants”); the Non-indigenous Aquatic Nuisance Prevention and Control Act (16 U.S.C. § 4701 *et seq.*) (“Ensure preventive measures are taken or that probable harm of using species is minimal if there is an escape or release”); and all other applicable statutes pertaining to the care, handling, and treatment of warm-blooded animals held for research, teaching, or other activities supported by Federal financial assistance. No research involving vertebrate animals is permitted under any DOC award unless authorized by the Grants Officer.

## **12. Homeland Security Presidential Directive 12.**

If performance under the Award requires Recipient personnel to have routine access to Federally controlled facilities and/or Federally controlled information systems (for purposes of this condition, “routine access” is defined as more than 180 business days), such personnel must undergo the personal identity verification credential process. In the case of foreign nationals, the DOC will conduct a check with the U.S. Citizenship and Immigration Services (“USCIS”) Verification Division, a component of the Department of Homeland Security (“DHS”), to ensure that the individual is in a lawful immigration status and that he or she is eligible for employment within the U.S. Any items or services delivered under this Award shall comply with DOC personal identity verification procedures that implement Homeland Security Presidential Directive 12, “Policy for a Common Identification Standard for Federal Employees and

Contractors,” Federal Information Processing Standards Publication (“FIPS PUB”) Number 201, and OMB Memorandum M-05-24. The Recipient shall ensure that its subrecipients and contractors (at all tiers) performing work under this Award comply with the requirements contained in this term. The Grants Officer may delay final payment under this Award if a subrecipient or contractor fails to comply with the requirements listed below. The Recipient shall insert the following term in all subawards and contracts when the subrecipient or contractor is required to have routine physical access to a Federally controlled facility or routine access to a Federally controlled information system:

*The subrecipient or contractor shall comply with DOC personal identity verification procedures identified in the subaward or contract that implement Homeland Security Presidential Directive 12 (HSPD-12), Office of Management and Budget (OMB) Guidance M-05-24, as amended, and Federal Information Processing Standards Publication (FIPS PUB) Number 201, as amended, for all employees under this subaward or contract who require routine physical access to a Federally controlled facility or routine access to a Federally controlled information system.*

*The subrecipient or contractor shall account for all forms of Government-provided identification issued to the subrecipient or contractor employees in connection with performance under this subaward or contract. The subrecipient or contractor shall return such identification to the issuing agency at the earliest of any of the following, unless otherwise determined by DOC: (1) When no longer needed for subaward or contract performance; (2) Upon completion of the subrecipient or contractor employee’s employment; (3) Upon subaward or contract completion or termination.*

**13. Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations.**

- a. This term applies to the extent that this Award involves access to export-controlled items.
- b. In performing under this Award, the Recipient may gain access to export-controlled information or technology. The Recipient is responsible for compliance with all applicable laws and regulations regarding export-controlled information and technology, including the deemed exports and reexports provisions of the Export Administration Regulations (“EAR”). The Recipient shall establish and maintain throughout performance of this Award effective export compliance procedures at non-DOC facilities. At a minimum, these export compliance procedures must include adequate controls of physical, verbal, visual, and electronic access to export-controlled information and technology.
- c. Definitions.
  - i. *Export-controlled items.* Items (commodities, software, or technology) that are subject to the EAR (15 CFR §§ 730–774), implemented by the DOC’s Bureau of Industry and Security. These are generally known as “dual-use” items—that is, items with a military and commercial application.
  - ii. *Deemed export/reexport.* The EAR defines a deemed export as a release of export-controlled items (specifically, technology or source code) to a foreign national in the U.S. Such release is “deemed” to be an export to the home country of the foreign national. 15 CFR § 734.2(b)(2)(ii). A release may take the form of visual inspection, oral exchange

of information, or the application abroad of knowledge or technical experience acquired in the U.S. If such a release occurs abroad, it is considered a deemed reexport to the foreign national's home country. Licenses from DOC may be required for deemed exports or reexports.

- d. The Recipient shall control access to all export-controlled information and technology that it possesses or that comes into its possession in performance of this Award, to ensure that access is restricted, or licensed, as required by applicable Federal laws, executive orders, or regulations, including the EAR.
- e. As applicable, Recipient personnel and associates at DOC sites will be informed of any procedures to identify and protect export-controlled items.
- f. Nothing in the Terms and Conditions of this Award is intended to change, supersede or waive the requirements of applicable Federal laws, executive orders, or regulations.
- g. The Recipient shall include this subsection entitled "Compliance with Department of Commerce Bureau of Industry and Security Export Administration Regulations," including this subparagraph g, in all lower-tier transactions (subawards, contracts, and subcontracts) under this Award that may involve access to export-controlled information technology.

**14. The Trafficking Victims Protection Act of 2000 (22 U.S.C. § 7104(g)), as Amended, and the Implementing Regulations at 2 CFR part 175.**

The Trafficking Victims Protection Act of 2000 authorizes termination of financial assistance provided to a private entity, without penalty to the Federal Government, if the Recipient engages in certain activities related to trafficking in persons. The Department hereby incorporates the following Award term required by 2 CFR § 175.15(b). See <http://www.gpo.gov/fdsys/pkg/CFR-2012-title2-vol1/pdf/CFR-2012-title2-vol1-sec175-15.pdf>

a. *Provisions applicable to a Recipient that is a private entity.*

- i. The Recipient, its employees, subrecipients under this Award, and subrecipients' employees may not:
  - (1) Engage in severe forms of trafficking in persons during the period of time that the Award is in effect;
  - (2) Procure a commercial sex act during the period of time that the Award is in effect; or
  - (3) Use forced labor in the performance of the Award or subawards under the Award.
- ii. EDA, as the Federal awarding agency, may unilaterally terminate this Award, without penalty, if the Recipient or a subrecipient that is a private entity:
  - (1) Is determined to have violated a prohibition in paragraph a.i of this Award term; or
  - (2) Has an employee who is determined by the Grants Officer to have violated a prohibition in paragraph a.i of this Award term through conduct that is either:
    - (A) associated with performance under this Award; or
    - (B) imputed to the Recipient or a subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided at 2 CFR part 180 ("OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)") as

implemented by DOC at 2 CFR part 1326 (“Nonprocurement Debarment and Suspension”).

- b. *Provision applicable to a Recipient other than a private entity.* EDA, as the Federal awarding agency, may unilaterally terminate this Award, without penalty, if a subrecipient that is a private entity:
  - i. Is determined to have violated an applicable prohibition in paragraph a.i of this Award term; or
  - ii. Has an employee who is determined by the Grants Officer to have violated an applicable prohibition in paragraph a.i of this Award term through conduct that is either:
    - (1) Associated with performance under this Award; or
    - (2) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided at 2 CFR part 180 (“OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)”), as implemented by DOC at 2 CFR part 1326 (“Nonprocurement Debarment and Suspension”).
- c. *Provisions applicable to any Recipient.*
  - i. The Recipient must inform EDA immediately of any information it receives from any source alleging a violation of a prohibition in paragraph a.i of this Award term.
  - ii. EDA’s right to terminate this Award unilaterally, as described in paragraph a.ii or b of this section:
    - (1) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (“TVPA”), as amended (22 U.S.C. § 7104(g)), and
    - (2) Is in addition to all other remedies for noncompliance that are available to EDA under this Award.
  - iii. The Recipient must include the requirements of paragraph a.i of this Award term in any subaward made to a private entity.
- d. *Definitions.* For purposes of this Award term:
  - i. “Employee” means either:
    - (1) An individual employed by the Recipient or a subrecipient who is engaged in the performance of the Project under this Award; or
    - (2) Another person engaged in the performance of the Project under this Award and not compensated by the Recipient including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward Matching Share requirements.
  - ii. “Forced labor” means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
  - iii. “Private entity”:

- (1) Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined at 2 CFR § 175.25;
- (2) Includes: (A) a nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of “Indian tribe” at 2 CFR § 175.25(b); and (B) a for-profit organization.
- iv. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given in section 103 of the TVPA, as amended (22 U.S.C. § 7102).

**15. The Federal Funding Accountability and Transparency Act of 2006 (Pub. L. No. 109-282, 31 U.S.C. § 6101 Note), as Amended by the Government Funding Transparency Act of 2008 (Pub. L. No. 110-252).**

a. **Searchable Website Requirements.** The Federal Funding Accountability and Transparency Act of 2006 (“FFATA” or “Transparency Act”) requires that information on Federal awards (Federal financial assistance and expenditures) be made available to the public via a single, searchable website. This information is available at [www.USASpending.gov](http://www.USASpending.gov). To meet these requirements, Recipients and subrecipients must include the following data elements in their Application:

- i. Name of entity receiving Award;
- ii. Award amount;
- iii. Transaction type, funding agency, Catalog of Federal Domestic Assistance Number, and descriptive Award title;
- iv. Location of entity and primary location of performance (city, State, Congressional District, and country); and
- v. Unique identifier of entity.

*See also* 2 CFR § 200.211 (“Public access to Federal award information”).

b. **Subaward and Executive Compensation Data Reporting Requirements.** A Recipient awarded a new Federal grant greater than or equal to \$25,000 on or after October 1, 2010, other than those funded by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5) (“Recovery Act”), are subject to FFATA subaward reporting requirements as outlined in the OMB guidance issued August 27, 2010. The Recipient is required to file a FFATA subaward report by the end of the month following the month in which the Recipient awards any subgrant greater than or equal to \$25,000. *See* Pub. L. No. 109-282, as amended by section 6202(a) of Pub. L. No. 110-252 (*see* 31 U.S.C. § 6101 note). The reporting requirements are located in Appendix A of 2 CFR part 170 and are available at <https://www.gpo.gov/fdsys/pkg/CFR-2015-title2-vol1/pdf/CFR-2015-title2-vol1-part170.pdf>.

- i. Reporting of first-tier subawards.
  - (1) **Applicability.** Unless exempt as provided in paragraph b.iv of this Award term, the Recipient must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery Act funds (as defined in section 1512(a)(2) of the

Recovery Act, Pub. L. No. 111-5) for a subaward to an entity (*see* definitions in paragraph b.v of this Award term).

(2) Where and when to report.

(a) The Recipient must report each obligating action described in paragraph b.i(1) of this Award term to <http://www.fsrs.gov>.

(b) For subaward information, the Recipient must report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2015, the obligation must be reported by no later than December 31, 2015.)

(3) What to report. The Recipient must report information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

ii. Reporting total compensation of Recipient executives.

(1) Applicability and what to report. The Recipient must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if:

(a) The total Federal funding authorized to date under this Award is \$25,000 or more;

(b) In the preceding fiscal year, the Recipient received:

(i) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(ii) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and

(c) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, *see* the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

(2) Where and when to report. The Recipient must report executive total compensation described in paragraph b.ii of this Award term:

(a) As part of its registration profile at <http://www.ccr.gov>.

(b) By the end of the month following the month in which this Award is made, and annually thereafter.

iii. Reporting total compensation of subrecipient executives.

(1) Applicability and what to report. Unless the subrecipient is exempt as provided in paragraph b.iv of this Award term, each first-tier subrecipient under this Award shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if:

- (a) In the subrecipient's preceding fiscal year, the subrecipient received:
    - (i) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320 (and subawards); and
    - (ii) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
  - (b) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. § 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, *see* the U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)  
*See also* 2 CFR § 200.300(b) ("Statutory and national policy requirements").
- (2) Where and when to report. The subrecipient must report its executive total compensation described in paragraph b.iii of this Award term:
- (a) To the Recipient.
  - (b) By the end of the month following the month during which the subaward is made. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), the required compensation information of the subrecipient must be reported by November 30 of that year.
- iv. Exemptions. If, in the previous tax year, the Recipient had gross income, from all sources, under \$300,000, it is exempt from the requirements to report:
- (1) Subawards, and
  - (2) The total compensation of the five most highly compensated executives of any subrecipient.
- v. Definitions. For purposes of this Award term:
- (1) "Entity" means all of the following, as defined at 2 CFR part 25:
    - (a) A Governmental organization, which is a State, local government, or Indian tribe;
    - (b) A foreign public entity;
    - (c) A domestic or foreign nonprofit organization;
    - (d) A domestic or foreign for-profit organization; and
    - (e) A Federal agency, but only as a subrecipient under an award or subaward to a Recipient.
  - (2) "Executive" means officers, managing partners, or any other employees in management positions.
  - (3) "Subaward":

- (a) This term means a legal instrument to provide support for the performance of any portion of the substantive Project or program for which the Recipient received this Award and that the Recipient awards to an eligible subrecipient.
  - (b) The term does not include the Recipient's procurement of property and services needed to carry out the Project or program (for further explanation, *see* 2 CFR § 200.330).
  - (c) A subaward may be provided through any legal agreement, including an agreement that the Recipient or a subrecipient considers a contract.
- (4) "Subrecipient" means an entity that:
- (a) Receives a subaward from the Recipient under this Award; and
  - (b) Is accountable to the Recipient for the use of the Federal funds provided by the subaward.
- (5) "Total compensation" means the cash and noncash dollar value earned by the executive during the Recipient's or subrecipient's preceding fiscal year and includes the following (for more information, *see* 17 CFR § 229.402(c)(2)):
- (a) Salary and bonus.
  - (b) Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Share Based Payments.
  - (c) Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives and are available generally to all salaried employees.
  - (d) Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - (e) Above-market earnings on deferred compensation which is not tax-qualified.
  - (f) Other compensation, if the aggregate value of all such other compensation (*e.g.*, severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- c. **Central Contractor Registration ("CCR") and Universal Identifier Requirements.** In accordance with 2 CFR part 25, the Recipient must obtain a Data Universal Numbering System ("DUNS") number and maintain an active registration in the CCR database. In addition, the Recipient must notify potential first-tier subrecipients that no entity may receive a first-tier subaward unless the entity has provided its DUNS number to the Recipient. The requirements are located in Appendix A of 2 CFR part 25 and are available at <http://www.gpo.gov/fdsys/pkg/CFR-2015-title2-vol1/pdf/CFR-2015-title2-vol1-part25.pdf>.
- i. Requirement for CCR. Unless exempted from this requirement under 2 CFR § 25.110, the Recipient must maintain the currency of its information in the

CCR until it submits the final financial report required under this Award or receives the final payment, whichever is later. This requires that the Recipient review and update the information at least annually after the initial registration, and more frequently if required by changes in its information or another Award term.

ii. Requirement for DUNS Numbers. If authorized to make subawards under this Award, the Recipient:

- (1) Must notify potential subrecipients that no entity (*see* definition in paragraph b.v of this Award term) may receive a subaward from the Recipient unless the entity has provided its DUNS number to the Recipient.
- (2) May not make a subaward to an entity unless the entity has provided its DUNS number to the Recipient.

iii. Definitions for purposes of this Award term:

- (1) “Central Contractor Registration (“CCR”)” means the Federal repository into which an entity must provide information required for the conduct of business as a Recipient. Additional information about registration procedures may be found at the System for Award Management website (currently at <https://www.sam.gov/portal/public/SAM/>).
- (2) “Data Universal Numbering System (“DUNS”)” number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
- (3) “Entity,” as it is used in this Award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - (a) A Governmental organization, which is a State, local government, or Indian Tribe;
  - (b) A foreign public entity;
  - (c) A domestic or foreign nonprofit organization;
  - (d) A domestic or foreign for-profit organization; and
  - (e) A Federal agency, but only as a subrecipient under an award or subaward to a Recipient.
- (4) “Subaward”:
  - (a) This term means a legal instrument to provide support for the performance of any portion of the substantive Project or program for which the Recipient received this Award and that the Recipient awards to an eligible subrecipient.
  - (b) The term does not include the Recipient’s procurement of property and services needed to carry out the Project or program (for further explanation, *see* 2 CFR § 200.330).
  - (c) A subaward may be provided through any legal agreement, including an agreement that the Recipient considers a contract.

(5) “Subrecipient” means an entity that:

- (a) Receives a subaward from the Recipient under this Award; and
- (b) Is accountable to the Recipient for the use of the Federal funds provided by the subaward.

*See also* 2 CFR § 200.300(b) (“Statutory and national policy requirements”).

**16. Federal Financial Assistance Planning During a Funding Hiatus or Government Shutdown.**

This term sets forth initial guidance that will be implemented for Federal financial assistance awards in the event of a lapse in appropriations, or a Government shutdown. The Grants Officer may issue further guidance prior to an anticipated shutdown.

- a. Unless there is an actual rescission of funds for specific grant obligations, Recipients under Federal financial assistance awards for which funds have been obligated generally will be able to continue to perform and incur allowable expenses under the Award during a funding hiatus. Recipients are advised that ongoing activities by Federal employees involved in grant administration (including payment processing) or similar operational and administrative work cannot continue when there is a funding lapse. Therefore, there may be delays, including payment processing delays, in the event of a shutdown.
- b. All Award actions will be delayed during a Government shutdown; if it appears that a Recipient’s performance under a grant or cooperative agreement will require agency involvement, direction, or clearance during the period of a possible Government shutdown, the Project Officer or Grants Officer, as appropriate, may attempt to provide such involvement, direction, or clearance prior to the shutdown or advise the Recipient that such involvement, direction, or clearance will not be forthcoming during the shutdown. Accordingly, Recipients whose ability to withdraw funds is subject to prior agency approval, which in general are Recipients that have been designated high risk, Recipients under construction awards, and other Recipients limited to reimbursements or subject to agency review, will be able draw funds down from the relevant Automatic Standard Application for Payment (“ASAP”) account only if agency approval is given and coded into ASAP prior to any Government shutdown or closure. This limitation may not be lifted during a Government shutdown. Recipients should plan to work with the Grants Officer to request prior approvals in advance of a shutdown wherever possible. Recipients whose authority to draw down award funds is restricted may decide to suspend work until the Government reopens.
- c. The ASAP system should remain operational during a Government shutdown. Recipients that do not require any Grants Officer or agency approval to draw down advance funds from their ASAP accounts should be able to do so during a shutdown. The 30-day limitation on the drawdown of advance funds will still apply notwithstanding a Government shutdown and advanced funds held for more than 30 days will have to be returned with interest.