



DATE: JANUARY 8, 2020

FROM: PLANNING AND STRATEGY

**SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF AN APPEALABLE
LEVEL II COASTAL DEVELOPMENT PERMIT (NO. 20-01) TO THE SAN
PEDRO PUBLIC MARKET LLC FOR PHASE 1 OF THE SAN PEDRO
PUBLIC MARKET DEVELOPMENT PROJECT**

SUMMARY:

Staff requests approval to issue an appealable Level II Coastal Development Permit (CDP) No. 20-01 to the San Pedro Public Market LLC (SPPM) for Phase 1 of the San Pedro Public Market project. The proposed Phase 1 development would include 100,000 square feet of restaurant, 40,000 square feet of retail, and 30,000 square feet of maritime-related office uses. Two existing deck areas that previously supported restaurant buildings would be repurposed for a dining deck and public deck. The existing floating docks for boats would also remain. The SPPM estimates the project cost will be \$150 million for phases 1 and 2, all of which is the responsibility of the SPPM.

Separately, the Port is currently proceeding with the San Pedro Waterfront Ports O' Call Promenade and Town Square projects that are adjacent to the San Pedro Public Market project as outlined in CDP No. 17-10. The Port of Los Angeles awarded the Phase 1 portion of the San Pedro Waterfront Ports O' Call Promenade and Town Square projects to the Griffith Company (CDP No 17-10) for a cost of \$36.3 million, of which \$1.3 million is grant funded.

RECOMMENDATION:

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

1. Hold a public hearing for the proposed Coastal Development Permit No. 20-01, an appealable Level II permit;
2. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines;
3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan (PMP);

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4. Upon closure of the public hearing, resolve to approve the issuance of CDP No. 20-01, consistent with the project description listed on APP No. 160323-040, and with Special Condition No. 1 for the assumption of risk, waiver of liability, and indemnification related to sea level rise, and direct the Director of Planning and Strategy to execute and issue said permit on behalf of and as the designee of the Executive Director; and
5. Adopt Resolution No. _____.

DISCUSSION:

Project Background/Context – The proposed project site is located along the west side of the Los Angeles Harbor Main Channel, north of the Southern Pacific Slip to the new interchange of Harbor Boulevard and Miner Street (Transmittal 1). The Ports O' Call site was developed as a visitor-serving retail, dining and entertainment destination beginning in the early 1960s with further development of additional improvements for similar uses through the early 1980s. At its peak, the Ports O' Call site contained more than 210,000 square feet of retail, dining, maritime-related office, and entertainment improvements. Most of the buildings were demolished at the end of 2018 as part of CDP 17-10 issued to the Port.

On September 29, 2009, the Board approved and certified the San Pedro Waterfront Project Environmental Impact Statement/Environmental Impact Report (SPWP EIS/EIR) (APP# 041122-208, SCH# 2005061041) with a horizon year of 2037. The SPWP EIS/EIR assessed the first comprehensive redevelopment of the Ports O' Call site and other development and infrastructure projects intended to transform the San Pedro waterfront into a vibrant urban visitor-serving waterfront destination. The project description for the Ports O' Call site evaluated up to 300,000 square feet of restaurant, retail and entertainment space, up to 75,000 square feet for a conference center, and a 30-foot-wide waterfront promenade.

On February 19, 2015, the Board approved the Public Access Investment Plan, which provides a 10-year budgetary guideline for the continued development and operations of the LA Waterfront at the Port of Los Angeles and other public benefit programs. The investment plan allocated funding for six public access projects. Included in those six projects are the Ports O' Call Promenade and the Town Square.

The Board approved Permit No. 915 with the San Pedro Public Market, LLC for the redevelopment of Ports O' Call area on May 19, 2016. The approval included a 50-year ground lease and refinements to the design of the Ports O' Call site that also included the Town Square and reconfiguration of the waterfront promenade. These changes were analyzed in a Third Addendum to the 2009 certified SPWP EIS/EIR that was considered by the Board at the time of the approval. The initial phase of the development is envisioned to include restaurants, retail, entertainment, office uses, open spaces, overwater uses, and parking linked together by a promenade.

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On October 6, 2017, the Board approved Resolution 17-8168 allowing the issuance of CDP 17-10 to demolish existing structures in two phases at Berths 73 to 84 and construct the Ports O' Call Promenade and Town Square project. The demolition has been completed. On November 21, 2019, the Board approved Resolution 19-9567 for the award of a contract to the Griffith Company to construct the San Pedro Waterfront Berths 74-84 Promenade and Town Square. Also at that same meeting, the Board approved Resolution 19-9564 for the first amendment to Lease No. 915, which increased the lease term from 50 to 66 years, adjusted premises boundaries, and amended construction milestones and development obligations.

Project Description – Phase 1 of the SPPM project includes a combination of the redevelopment of the existing uses and new development on approximately 29 acres of the approximately 42-acre site (including water areas). The proposal includes approximately 170,000 square feet of restaurants, retail, and maritime-related office. New restaurant uses are anticipated to include full-service restaurants, food halls, fish markets, farmers' markets, quick-serve dining, and an assortment of various food and beverage establishments that would include alcohol sales for both on-site and off-site consumption. Ancillary restaurant, retail, recreational and entertainment uses may be incorporated within the proposed park space.

The project would refurbish existing and create new floating decks for commercial sport fishing, whale watching, harbor cruises, water taxis, and related water-adjacent tenants. Phase 1 would replace and/or restore the existing 89,900 square feet of over-the-water wharf structures and floating decks at Berths 76 and 77, with no more than 73,200 square feet of new and/or restored over-the-water wharf structures and floating decks at the same location. No dredging activities would be conducted as part of the SPPM project. All overwater improvements, including any floating restaurants or retail improvements and the promenade around the mudflat, would not exceed the square footage of overwater structures or the total number of piles evaluated in the San Pedro Waterfront EIS/EIR.

Construction of Phase 1 is anticipated to begin in 2020 and be completed in 2023.

Coastal Permit Requirements – The proposed project requires an appealable Level II CDP in accordance with Section 6.4 of the PMP and Section 30715 of the California Coastal Act of 1976, as amended (Coastal Act). Under Section 30715 of the Coastal Act, certain types of approvals by a port governing body may be appealed to the California Coastal Commission (Coastal Commission). Offices not principally devoted to the administration of activities within the Port and shopping facilities not principally devoted to the sale of commercial goods utilized for water-oriented purposes are such types of appealable development. Development projects that are identified as appealable and are not exempt from a CDP require a Level II CDP, as outlined in Section 6.4.4 of the Port Master Plan. A copy of the unexecuted CDP No. 20-01 is attached as Transmittal 2.

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Procedurally, an appealable Level II CDP requires a public hearing that is publicized at least fifteen calendar days prior to the scheduled date of the hearing. A public notice for the proposed development was published on January 8, 2020 (Transmittal 3). If the Board approves CDP No. 20-01, the Port would provide official notification of approval to the Coastal Commission. An appeal to the Coastal Commission may be filed within ten working days from the date from which the Coastal Commission receives this notice.

The Director of Planning and Strategy has determined that the proposed project is consistent with the PMP and the Chapter 8 policies of the Coastal Act. Located in Planning Area 1 of the PMP, this project is consistent with its Visitor-Serving Commercial land use designation. Furthermore, the PMP specifically lists the redevelopment of the Ports O' Call site as a proposed project, for which this project is the first phase. The project was designed around the San Pedro Waterfront Ports O' Call Promenade, which provides public access to the area consistent with Policy 2.2 of the PMP. The proposed development would also include park space and associated attractions, providing for public recreation, continuing the distribution of development along the San Pedro waterfront, consistent with Policy 2.3 of the PMP.

Coastal Hazards – Concentrations of atmospheric greenhouse gases have been increasing substantially in recent centuries, largely due to human-induced greenhouse gas emissions, which has resulted in considerable warming of the Earth and ocean. This global warming is causing and will continue to cause, among other things, sea levels to rise due to a combination of thermal expansion of ocean water and melting land ice. Depending on current and future concentrations of greenhouse gas emissions, scientists have developed projections of future sea level rise scenarios based on different emission scenarios and existing development. Sea level rise projections for Los Angeles, provided in the 2018 Ocean Protection Council Sea Level Rise Guidance, range from approximately 2.7 feet (low risk aversion) to 5.3 feet (medium-high risk aversion) to 8.0 feet (extreme risk aversion) of sea level rise by 2090. Lease No. 915 will be in effect through 2082. High-tide is currently 5.43 feet above Mean Lower Low Water (MLLW). If sea level were to rise 8.0 feet as indicated under the extreme risk aversion scenario, high-tide would be 13.43 feet above MLLW. Proposed Phase 1 building footprints are approximately 12.0 feet above MLLW. Therefore, staff recommends the Board adopt Special Condition No. 1, for the Assumption of Risk, Waiver of Liability and Indemnity.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of an appealable Level II CDP. This project was previously assessed in the San Pedro Waterfront Environmental Impact Report (SCH No. 2005061041) which was certified by the Board on September 29, 2009 and the two Addendums for the San Pedro Public Market Project, which were considered by the Board in May 2016 and November 2019. Therefore, the Director of Environmental Management has determined that the proposed action is statutorily exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for the proposed Phase 1 development of the San Pedro Public Market Project. This Board action does not authorize expenditures related to the Project.

CITY ATTORNEY:

The City Attorney's Office has reviewed this Board Report and its attachments and found that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 20-01
3. Public Notice

FIS Approval: MB

CA Approval: JML



MICHAEL KEENAN
Director of Planning and Strategy



ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:



For

EUGENE D. SEROKA
Executive Director

Author: D. Jordan

APP No. 160323-040