



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 28, 2024
FROM: WATERFRONT & COMMERCIAL REAL ESTATE
SUBJECT: RESOLUTION NO. _____ - APPROVE MEMORANDUM OF UNDERSTANDING WITH LOS ANGELES DEPARTMENT OF WATER & POWER

SUMMARY:

Staff requests approval of a Memorandum of Understanding (MOU) with the Los Angeles Department of Water & Power (LADWP) to allow the City of Los Angeles Harbor Department (Harbor Department) to access and enter approximately 5.08 acres of property owned by LADWP consisting of Parcels B and C in Exhibit A located on either side of Harry Bridges Boulevard and west of Avalon Boulevard in Wilmington, CA. The MOU is for a term of five years and will allow the Harbor Department to commence remediation, development and construction activities incidental to the development of park improvements and to operate and maintain these improvements as a public park. The park improvements are expected to be completed in 2027 as part of the Wilmington Waterfront Promenade and Avalon Promenade and Gateway Projects (Wilmington Waterfront Projects). The Harbor Department and LADWP are in the process of negotiating a larger land swap transaction that, when complete, will transfer Parcels B and C to Harbor Department ownership. Use of Parcels B and C under the MOU is being provided rent-free; therefore, the Harbor Department's financial obligations will not be impacted by the approval of the proposed MOU.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA Guidelines;
2. Find that it is in the best interest of the Harbor Department to enter into a Memorandum of Understanding with the Los Angeles Department of Water & Power to enter Los Angeles Department of Water & Power property for purposes of remediation, development, operations and maintenance activities at Parcels B and C;

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3. Approve the Memorandum of Understanding with Los Angeles Department of Water & Power;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Memorandum of Understanding; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background: The Harbor Department has been in negotiations with LADWP regarding an exchange of properties located along either side of Harry Bridges Boulevard and west of Avalon Boulevard in Wilmington, CA, since 2018. Obtaining access to LADWP Property (Parcels A, B and C in map Exhibit A) is necessary for the Harbor Department's development of the Wilmington Waterfront Projects. The Wilmington Waterfront Projects were conceived to create community open space amenities that increase economic opportunity, connect Wilmington with its historic waterfront, and provide regional linkages to attract new visitors to the LA Waterfront. The Wilmington Waterfront Projects were identified in the Port of Los Angeles Wilmington Waterfront Development Project Final EIR, approved by the Board in June 2009. The project area consists of Harbor Department property and LADWP property. The LADWP property is a critical component of the development, as a majority of the Avalon Promenade and Gateway Project is planned to be built on land currently owned by LADWP.

The Harbor Department and LADWP are negotiating a transaction for a permanent exchange of properties that will ultimately need to be considered and approved by the Board of Harbor Commissioners, Los Angeles City Council and California State Lands Commission. The transaction involves LADWP and the Harbor Department mutually exchanging property and consenting to street vacations resulting in each party receiving similar compensatory value in the overall transaction.

Prior to the permanent transfer being complete, LADWP granted to the Harbor Department a Right of Entry (ROE) effective February 20, 2019, that allowed Harbor Department early temporary access to LADWP properties involved in the permanent exchange, Parcels A, B and C, to perform tasks needed to initiate and to construct the Wilmington Waterfront Projects. The ROE had an initial term of 3 years with two 1-year extension options for a total of 5 years. With both option periods having been extended, the ROE terminated February 19, 2024.

Under a separate MOU recently approved by the Harbor Board of Commissioners, LADWP granted access to the Harbor Department for Parcel A. This MOU allowed the Harbor Department to complete construction of the Wilmington Waterfront Promenade on Parcel A, which saw a successful grand opening ceremony on February 3, 2024. With the permanent property transfer still being negotiated and park and gateway improvements in the design and remediation phases on Parcels B and C, an agreement

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is needed to detail and administer responsibilities related to remediation, reimbursement, construction, maintenance and operations of the planned improved park and gateway space on Parcels B and C after the ROE has expired. The proposed MOU (Transmittal 1) serves to bridge and memorialize rights and responsibilities pertaining to Parcels B and C while both parties work on the permanent property transfer. This MOU will be taken to the LADWP Board of Commissioners for approval at their February 27, 2024 meeting.

Proposed Action: Staff recommends Board approval of a LADWP MOU based on the following terms:

Term: The proposed MOU is for a term of five years.

Premises: The premises consists of approximately 5.08 acres of LADWP property located on either side of Water Street and west of Avalon Boulevard in Wilmington, CA, known and depicted as Parcels B and C.

Use: Allows Harbor Department entry onto LADWP property to commence remediation; collect reimbursement from LADWP for remediation; and develop, construct, operate, and maintain park and gateway improvements.

Compensation: There is no compensation associated with this MOU.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the MOU with LADWP to allow the Harbor Department to access their property for remediation, development and construction activities, which is an activity for which the underlying project has been previously assessed in Wilmington Waterfront Development Project (SCH#2008031065), which was certified by the Board on June 18, 2009. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

The proposed MOU will allow the Harbor Department to continue to access the LADWP Property in order to commence and complete construction activities for the development of the Wilmington Waterfront Projects as well as to operate and maintain completed park improvements. Although the proposed MOU is being provided rent-free, the Harbor Department will continue to be financially responsible for project costs associated with the Wilmington Waterfront Projects.

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CITY ATTORNEY:

The proposed Memorandum of Understanding has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTAL:

1. Memorandum of Understanding
2. Exhibit A - Property Map

FIS Approval: *MB*
CA Approval: *[Signature]*

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Director of Waterfront & Commercial Real Estate

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APPROVED:

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