



THE PORT
OF LOS ANGELES
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: FEBRUARY 22, 2017

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 17-01) TO ALTASEA AT THE PORT OF LOS ANGELES FOR A RESEARCH AND BUSINESS HUB AT BERTHS 58-60

SUMMARY:

AltaSea at the Port of Los Angeles (AltaSea) requests that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 17-01 to utilize the existing transit sheds at Berths 58-60 for a business and research hub (proposed project). Staff recommends approval of CDP 17-01.

The proposed project would refurbish all 180,000 square feet of the transit sheds for a marine research and business hub. The proposed project would provide leasable space for tenants who qualify to occupy the site with water-dependent and ocean-related activities. Proposed construction activities to the transit shed are minimal, such as new electrical services, upgrades to lighting, new fire alarm system, new landscaping, and other improvements outlined on Application for Port Permit No. 160812-116. The proposed project also includes the construction of a wharf plaza between Berths 57 and 58. The wharf plaza will include a pavilion to house lectures and interactive learning for school groups and visiting scientists.

AltaSea is financially responsible for the estimated \$16 million project cost.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Consider the Second Addendum to the certified Environmental Impact Report for the City Dock #1 Marine Research Center Project;
2. Hold a public hearing for the proposed Coastal Development Permit No. 17-01, a Level II non-appealable permit;
3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan and find that this project will have no significant adverse environmental

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impacts as analyzed in the Second Addendum to the certified Environmental Impact Report prepared pursuant to the California Environmental Quality Act Guidelines Section 15164;

4. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 17-01, consistent with the project description listed on Application for Port Permit No. 160812-116, and direct the Director of Planning and Strategy to issue said permit; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Final Environmental Impact Report (EIR) for the City Dock #1 Marine Research Center Project was certified by the Board on October 18, 2012. Subsequent to the certification of the Final EIR and in response to lease negotiations with Rockefeller Philanthropy Advisors, Inc., an Addendum was prepared in September 2013 to assess the potential impacts of extending the originally assessed 30-year lease to 50 years, ending in 2064.

On November 7, 2013, the Board approved Lease No. 904 to Rockefeller Philanthropy Advisors, Inc., with subsequent lease assignment to AltaSea. Lease No. 904 grants use of up to 35.62 acres of property, including 4,510 linear feet of water frontage, for development and use as an urban marine research facility (Transmittal 1).

A Second Addendum to the Final EIR was published on February 21, 2017 which assessed potential impacts associated with 1) operations and tenant occupancy of the currently vacant transit sheds at Berths 58-60, 2) the addition of a wharf plaza between Berths 57 and 58, and 3) retrofits to the existing wharf between Berths 57 and 58 to make that area structurally sound for vessel onloading and offloading (Transmittal 2).

Project Description – The research and business hub at Berths 58-60 involves the permanent use of existing transit sheds that were constructed between 1914-1917 and total 180,000 square feet. The proposed project includes occupancy of up to 140,000 square feet of warehouse space and renovation of all 180,000 square feet. The transit sheds are comprised of three single-story structures of 60,000 square feet each, separated by concrete walls and sliding fire doors. The structures have direct access to a 30-foot deep East Channel. The currently proposed research and business hub is intended to provide leasable space for tenants who qualify to occupy the transit sheds at Berths 58-60 with water-dependent and ocean-related activities.

Construction related to the research and business hub is minimal as these are all existing structures. However, because the transit sheds at Berths 58-60 have not been

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used for anything other than storage in many decades, certain upgrades will be necessary in order to make them usable for the proposed tenants. Upgrades include but are not limited to:

- New electrical service, electrical rooms and distribution
- Upgraded interior and exterior lighting
- New cold water system
- New fire alarm system
- Provisions for trailer hook-up within the sheds for office use
- Modular restroom facilities
- Modular ramp and stair systems for ADA access to each tenant space
- Modular storefront
- Modular trailers
- Chain link walls between tenant spaces
- New guardrails along loading dock
- Signage and environmental graphics displays
- Parking
- New boat lift
- Exterior seating
- New landscaping
- Removal of railroad tracks as necessary

A wharf plaza will be built between Berths 57 and 58 and adjacent to the waterfront. It will include a pavilion to house lectures and interactive learning for school groups and scientists visiting and in association with the research vessels visiting the site. Key features of the wharf plaza include the pavilion, a ramp, and timber seating. The wharf plaza will be approximately 2,500 square feet.

The wharf rehabilitation involves removing and replacing approximately 120 linear feet of concrete and asphalt/concrete decking between Berths 57 and 58. Approximately 42 concrete piles would be installed to improve the structural and seismic stability and provide a greater load capacity to this section of the wharf. Additionally, approximately 20 timber fender piles would be installed along the front of the wharf to allow for the safe berthing of vessels.

AltaSea will remove the façade on the northern exterior of the Berth 57 building. The façade was added onto the existing warehouse in the 1930's. AltaSea is removing the façade to restore the warehouse to its original form.

AltaSea will bear all costs of the proposed project, estimated at \$16 million. Should the Board approve the issuance of CDP No. 17-01, work is expected to begin in the second quarter of 2017.

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Anticipated Tenants – AltaSea has identified six potential tenants for the research and business hub. The tenants described here do not represent an all-inclusive list of every potential tenant that could utilize space at Berths 58-60; but rather, represent the likely tenants that are known at this time. Any future tenant will be evaluated to ensure consistency with the land uses approved at this location and to ensure no new environmental impact would occur as a result of its occupancy at the transit sheds. Of the six potential tenants, four would engage in maritime research: 1) Boeing Advanced Technologies – a Boeing company that would research and develop marine vehicles, 2) Seatrec – a renewable energy company researching ocean-generated power, 3) Catalina Sea Ranch – an off-shore aquaculture company where activities located at the research and business hub would focus on research and laboratory testing to improve yields, and 4) Nautilus Ocean Exploration Trust – an academic ocean research group with a dedicated 64-meter research vessel; the remaining two would engage in ancillary activities complementary to the primary marine research use: 5) Blue Robotics – a marine robotics company, and 6) PortTech LA, a business incubator helping clean technology entrepreneurs transform start-ups into business.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the Port Master Plan (PMP). A Level II permit is required for projects that involve significant resources; cause major changes in land and/or water use and in the density or intensity of the use; have the potential of creating significant environmental impacts that can or cannot be mitigated; or are appealable. The proposed project is a Level II CDP because the proposed project involves significant resources and is a major change in land use density and intensity as outlined in Section 6.4.3 of the PMP (Transmittal 3).

Procedurally, a Level II non-appealable 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 February 15, 2017 (Transmittal 4).

The proposed project has been found to be consistent with the PMP and the Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended. The project is located in Planning Area 1 of the PMP with a land use designation of Institutional. The research and business hub is consistent with the Institutional use designation, which allows education, marine research facilities, and non-profit organizations. The proposed project is also consistent with Section 30250 of the Coastal Act and Policy 1.1 of the PMP, to develop new commercial or industrial projects within, contiguous with, or in close proximity to existing developed areas able to accommodate it with adequate public services.

ENVIRONMENTAL ASSESSMENT:

An Addendum has been prepared pursuant to CEQA which focuses on the incremental changes between the 2012 Final EIR for City Dock #1 Marine Research Center Project

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and the Proposed Revised Project. Specifically, the Addendum assesses any new significant impacts or an increase in severity of previously identified impacts that would occur as a result of the Proposed Revised Project. According to Section 15164(a) of the state CEQA Guidelines, the lead agency will prepare an Addendum to a previously certified EIR if changes or additions are necessary but none of the conditions described in Section 15162 calling for the preparation of a subsequent or supplemental EIR have occurred. The Director of the Environmental Management Division has determined that the conditions in Section 15161 have not been met and, therefore, an Addendum is the appropriate document. An Addendum does not need to be circulated for public review but can be included in or attached to the EIR. Based on the finding of the Addendum, the proposed action will not result in any new significant environmental effects or any substantially more severe effects than previously analyzed and, therefore, does not trigger any of the conditions calling for the preparation of a subsequent or supplemental EIR. All previously approved mitigation measures are included in Lease No. 904 and shall be adhered to during construction and operation of the Proposed Modified Project, as applicable. The Addendum, along with the Final EIR/EIS, have been made publicly available and are posted on the Harbor Department's website.

FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for AltaSea to construct a research and business hub. AltaSea is financially responsible for the estimated \$16 million project cost. AltaSea will also fully bear responsibility for operating and maintenance costs subsequent to project completion. The Port will spend approximately \$300,000 on environment document costs but will be reimbursed fully by AltaSea.

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CITY ATTORNEY:

Based upon the information presented to the City Attorney's Office, the Board may consider the CEQA Addendum as completed in compliance with the requirements of the California Environmental Quality Act.

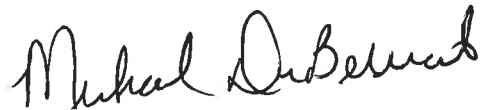
TRANSMITTALS:

1. Site Location Map
2. Second Addendum to City Dock #1 EIR
3. CDP No. 17-01
4. Public Notice

FIS Approval: MB (initials)
CA Approval: gw (initials)



MICHAEL KEENAN
Director of Planning and Strategy



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Deputy Executive Director

APPROVED:



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Executive Director

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APP No. 160812-116