

DATE: APRIL 28, 2021

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - PROPOSED REIMBURSEMENT AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SAN PEDRO FISH MARKET, LLC

SUMMARY:

Staff requests approval of a proposed Reimbursement Agreement (Agreement) with San Pedro Fish Market, LLC (SPFM) to reimburse the City of Los Angeles Harbor Department (Harbor Department) one hundred percent of staff and consultant costs associated with the preparation of an environmental assessment (anticipated Environmental Impact Report/Environmental Impact Statement (EIR/EIS)) for the relocation of the SPFM to Berth 93CDE. The proposed Agreement is for a term of three years with an estimated amount of \$900,000. SPFM is financially responsible for these expenditures.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the proposed Reimbursement Agreement with San Pedro Fish Market, LLC (SPFM) to reimburse the City of Los Angeles Harbor Department for preparation costs of the environmental assessment for the relocation of SPFM to Berth 93CDE for a contract term of three years and for an estimated base amount of \$900,000;
3. Authorize the Executive Director to execute and the Board Secretary to attest to, said Agreement for and on behalf of the Board; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – SPFM is a popular restaurant and tourist attraction that has operated along the San Pedro Waterfront at 1190 Nagoya Way for well over 40 years and attracts over 1 million visitors per year. SPFM now desires to relocate this operation to a new location that will allow for expanded services. Existing conditions at this new location include a concrete promenade along the riprap slope along water's edge with ornamental grass, lighting, benches, and pedestrian walkways. The proposed project would evaluate SPFM's proposed development at and relocation to Berth 93CDE.

Proposed Project and Schedule – The Harbor Department plans to prepare an environmental document (anticipated EIR/EIS) that must be completed before development and relocation of SPFM to Berth 93CDE can occur. SPFM has agreed to pay all staff and consultant costs for the environmental assessment for the relocation of SPFM, as well as any outside legal defense costs (if necessary) associated with the preparation of the environmental document. The document would be effective as of May 1, 2021.

ENVIRONMENTAL ASSESSMENT:

CEQA Documentation and Schedule – The Harbor Department, as the CEQA lead agency, in partnership with the United States Army Corps of Engineers, acting as the National Environmental Policy Act (NEPA) agency, would conduct the necessary environmental assessment activities and special studies to satisfy the requirements of CEQA and NEPA. The length of time to complete the environmental assessment is subject to several conditions, but is estimated to take approximately 12-18 months to complete.

Environmental Assessment Cost and Consultant Selection – The total estimated cost to complete this environmental assessment of the anticipated EIR and EIS for the project, including staff charges and consultant services, is approximately \$900,000. Actual costs may be higher or lower than these estimates. The Harbor Department Environmental Management Division has consulting agreements in place for as-needed CEQA/NEPA environmental services and will select the lead consultant to perform the work in connection with the preparation of the environmental document. Work for the SPFM Relocation will begin following Board approval of this proposed Agreement.

Proposed Reimbursement Agreement – The proposed action is approval of a proposed Agreement for a term of three years, with a one hundred percent reimbursement of costs for assessment of the relocation of SPFM of the environmental document, with a cost estimated at \$900,000 (Transmittal 1). As an administrative activity, the Director of

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Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Agreement will require SPFM to reimburse the Harbor Department for one hundred percent of all staff and consultant costs and project fees for the preparation of the environmental document being prepared to assess the relocation of the SPFM.

Initial payments from the Harbor Department for consultant costs and project fees will be recognized as receivables to Account No. 11225 (Reimbursable Costs-Env Projects) Center No. 7000 (Balance Sheet), Program No. 000 (Base Budget) for work as follows:

FY 2020/21	\$	10,000
FY 2021/22	\$	450,000
FY 2022/23	\$	425,000
FY 2023/24	\$	<u>15,000</u>
TOTAL	\$	900,000

The Harbor Department will bill SPFM on an up to monthly basis upon agreement execution. As the Harbor Department receives reimbursement payments from SPFM for the consultant costs and project fees, the reimbursement payments will clear the associated receivable transactions.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

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TRANSMITTAL:

1. Reimbursement Agreement with San Pedro Fish Market, LLC.

FIS Approval: *MB*
CA Approval: *JS*



CHRISTOPHER CANNON
Director of Environmental Management



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

APPROVED:

Marla Bleavins For

EUGENE D. SEROKA
Executive Director

CC/YO
AUTHOR: ZOE IRISH

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