



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 12, 2015**

**FROM: EXECUTIVE OFFICE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – PUBLIC ACCESS INVESTMENT PLAN**

**SUMMARY:**

The Public Access Investment Plan (Plan) provides a 10 year budgetary guideline for continued development and operations of the LA Waterfront at the Port of Los Angeles (Port) and other public benefit programs. The Plan proposes allocation of approximately \$400 million over ten years. The Plan also proposes specific funding allocation for the following six public access projects in the 10 year capital improvement program planning: (1) Sampson Way & 7th Street Intersection Improvements; (2) Town Square at 6th Street; (3) Ports O' Call Promenade and Parking; (4) Wilmington Waterfront Promenade and repurpose or demolition of former Catalina Freight Building; (5) Harry Bridges Blvd. Beautification between Island Ave. and Avalon Blvd.; and (6) Wilmington Waterfront Pedestrian Bridge. The majority of funding for these projects will be allocated in the first five years of the Plan. The Plan was revised as a result of a broad public outreach process including over 500 individual participants in community meetings and multiple community based organizations. In addition to approval of the Plan, staff requests the Board of Harbor Commissioners (Board) to direct staff to develop a Port-related economic development plan that benefits the public. If approved, such actions will not limit future Board discretion or authority to revise the Plan, including annual budget and ongoing project approvals. Annual spending under the Plan is subject to Board approval through the budget process.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Approve the Public Access Investment Plan;
2. Direct staff to develop a Port-related economic development plan;
3. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background/Context – Over the past 10 years, the Harbor Department has planned and invested in significant waterfront facilities and public benefit programs, such as the Cruise Ship Promenade/Harbor Blvd. Parkway, Wilmington Park, and 22<sup>nd</sup> Street Park. In 2009, the Board approved the Wilmington and San Pedro Waterfront Project Environmental Impact Reports (Waterfront EIRs) an environmental assessment of a proposed development of the LA Waterfront.

Staff developed the Plan (Transmittal 1) to provide a transparent, sustainable, and predictable 10 year investment strategy for public access projects that were assessed in the Waterfront EIRs, planned within the LA Waterfront as a whole, and other public benefit programs. The Plan's budgetary guidelines propose allocation of approximately \$400 million for LA Waterfront projects and community benefit programs over 10 years. The Plan proposes a total annual allocation for new public access capital projects based on 10 percent of Operating Income, which is projected to provide approximately \$200 million over 10 years to build public access projects. Also over the next 10 years, another approximately \$200 million will be allocated in the operating budget to maintain existing and new public access projects and provide public benefit programs including Port-related waterfront events, educational programs, and economic development programs.

Public Outreach – On December 11, 2014, staff presented draft guidelines to receive comment from the Board and public. Significant public comment was received, requesting clarifications, further opportunities to offer changes, and/or stating opposition to the guidelines. The Board provided comment during a December 18, 2014, Board meeting and emphasized the importance of the public participation process.

Staff continued outreach by: posting clarifications and past budget information on the Harbor Department's website; hosting three broad based community meetings in Wilmington and San Pedro; attending several smaller group meetings with representatives from Wilmington, San Pedro and Harbor City Neighborhood Councils, Chambers of Commerce, and other organizations; and receiving emails and comment cards. Over 500 people (60+ speakers) attended the three Port hosted community meetings. As of February 11, 2015, the Harbor Department received: formal resolutions from Neighborhood Councils (Wilmington, Central San Pedro, Coastal San Pedro, Northwest San Pedro), and Chambers of Commerce (Wilmington, San Pedro); a petition organized by the LA Waterfront Access & Redevelopment Coalition; and other written comment from individuals and groups, including the International Trade Education Programs and Clean Wilmington.

Significant issues identified in the outreach process and the Harbor Department's responses are summarized below:

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- *Specific project delivery:* All formal resolutions received by organizations focused on specific projects to be implemented as soon as possible and the ultimate build out of the 2009 Board approved Waterfront EIRs.

Response: The Plan was revised to identify six projects commonly included in formal resolutions received. Funds for these projects will be allocated over the 10 year Plan with the great majority of these projects planned for delivery in the next five years. The projects are: (1) Sampson Way & 7th Street Intersection Improvements; (2) Town Square at 6th Street; (3) Ports O' Call Promenade and Parking; (4) Wilmington Waterfront Promenade and repurpose or demolition of former Catalina Freight Building (Avalon Blvd. Corridor Phase IA South); (5) Harry Bridges Blvd. Beautification between Island Ave. and Avalon Blvd. (Avalon Blvd. Corridor Phase I North); and (6) Wilmington Waterfront Pedestrian Bridge.

These identified projects represent the Port's intent to immediately implement the Plan which should stimulate economic development and private investment along the LA Waterfront. Additional priority projects that are able to be funded under the Plan's financial guidelines will be determined through continued community participation. A projected 10 year budget allocation plan for the above mentioned projects and potential additional projects understood to be supported by the broad community is attached to the Plan.

- *Maximizing fund allocation:* Related to project delivery, comments focused on a common theme to increase the total funding allocation for public access projects. The Harbor Department was asked to maximize its own allocation and seek additional allocation through other private and public funding sources.

Response: The Plan allocates approximately \$400 million in capital and non-capital dollars for LA Waterfront projects and community benefit programs over 10 years. To maximize fund allocation, staff proposes to coordinate with the Mayor's Office to form a working group of City departments to help seek additional funding from public and private sources, and coordinate efficiencies in the development of waterfront projects and their economic impacts.

- *Allocation accounting:* Generally, this concern focused on how the procedures, formulas, and provisions in the guidelines could complicate and restrict implementation of future projects. Comments presented a wide variety of ideas on what should not be included as part of the Harbor Department's capital and operating allocation, including: some or all projects, some or all operating costs, private investment, government grants, previous mitigation projects, etc.

Response: The Plan was streamlined to simplify and/or eliminate complex allocation calculations, procedures, formulas, and provisions in the draft.

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Under the revised Plan the Harbor Department will work internally through the Plan's budgetary guidelines to maintain and operate existing and new public access projects. The revised plan has been streamlined to simplify allocation calculations and provides that outside funding will be sought and that existing contracts and to the maximum extent possible, previously approved contracts and mitigation projects are funded separately or in addition to the approximately \$400 million estimated allocation in the Plan. This applies to private investment, government grants, the Alta Sea Project Contract, China Shipping Settlement Agreement projects, and TraPac Memorandum of Understanding projects.

- *Litigation.* This comment was opposed to a guideline that stated allocations could be applied to public access projects that result from any source, including legal settlements or judgments.

Response: The Plan was revised to no longer automatically count future public access projects resulting from legal settlements or judgments against the allocation for public access projects. Simultaneously, the Plan consists of budgeting guidelines for staff and explicitly states that the Board retains full discretion to set annual budget and project priorities to best manage Harbor Department assets and funds. Lastly, in the event of any circumstances that limit implementation of the Plan as proposed including but not limited to general economic trends, specific Port economic loss, or legal settlements or judgments, the Port will actively engage public stakeholders in discussions regarding financially feasible alternative implementation plans.

- *Allocation between Wilmington and San Pedro:* Wilmington community members requested that allocation between Wilmington and San Pedro be broadly equal moving forward. San Pedro and Wilmington Neighborhood Councils and Chambers of Commerce also supported general equitable distribution between the two communities.

Response: The proposed minimum project funding allocation includes six projects that were commonly represented in written resolutions or motions from community based organization from Wilmington and San Pedro. Additional future projects will be determined through annual review and stakeholder input.

- *Economic Development:* In addition to public access projects, Wilmington and Harbor City community members requested that the Harbor Department focus its efforts on economic development programs, especially education and job training.

Response: Staff has recommended the Board to direct staff to prepare a Port-related economic development strategy focused on Port-related education and job training that benefit the public.

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Process – The Plan provides staff with broad guidelines to plan and budget for the LA Waterfront and public benefit programs over the next ten years. It does not obligate the Harbor Department to undertake any specific development or construction project, which require subsequent Board approval. Should the Board approve the Plan, staff would implement the Plan's guidelines, including the identified projects, in the FY 2015/2016 budget process and then in successive annual budget processes that would be presented to the Board for consideration at a later date.

Community input was an integral part of the revised Plan. Staff continues to receive input from stakeholders on various methods to provide periodic status updates on the Plan's implementation status. Specific means to efficiently communicate Plan status updates are in development based on the input received to date and will be presented to the Board at a later date.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the Plan, which does not obligate the Harbor Department to undertake any specific development or construction project. Any specific projects or activities outlined in the plan would be subject to environmental review under the California Environmental Quality Act (CEQA). As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will not have direct employment effect.

**FINANCIAL IMPACT:**

Implementation of the proposed Plan will be in conformance with the Board adopted Financial Policies, which seeks to balance prudently the Harbor Department's core business requirements and public access priorities with its financial resources. This action does not authorize funding for various projects and programs. Any funding will be requested to be budgeted as part of the annual budget adoption process, which is subject to Board approval.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed the plan and has identified no legal issues at this time.

**TRANSMITTALS:**

1. Public Access Investment Plan

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

APPROVED:



EUGENE D. SEROKA  
Executive Director

Author: M. Cham