



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

DATE: MARCH 1, 2012

FROM: PLANNING & ECONOMIC DEVELOPMENT

**SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL I
COASTAL DEVELOPMENT PERMIT (NO. 12-03) TO CRAFTED AT THE
PORT OF LOS ANGELES, LP FOR THE REDEVELOPMENT OF
WAREHOUSE NOS. 9 & 10**

SUMMARY:

Crafted at the Port of Los Angeles (Crafted), a Limited Partnership, is proposing the adaptive reuse of Warehouse Nos. 9 & 10 into a crafts marketplace. Staff is recommending the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 12-03, a Level I, non-appealable permit for the proposed project.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed project is in conformity with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
2. Authorize the Executive Director to approve the issuance of Coastal Development Permit No. 12-03, consistent with the project description contained in Application for Discretionary Project No. 120215-012; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – Issuance of CDP No. 12-03 (Transmittal 1) to Crafted will allow for the adaptive reuse of Warehouse Nos. 9 & 10 into a crafts marketplace. Located in the Outer Harbor area of the Port of Los Angeles (Port), the 9.1-acre site includes two buildings totaling approximately 135,000 square feet (sf) of warehouse space and 6 acres of adjacent paved land providing area for approximately 600 parking spaces (Transmittal 2). The warehouses have been vacant since 2010 and were previously used to store general cargo by Crescent Warehouse.

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On November 16, 2010, the City of Los Angeles Harbor Department (Harbor Department) released a Request for Interest (RFI) to developers for the adaptive reuse of the warehouses for commercial or visitor-serving uses. Three responses were received and the proposal submitted by Crafted was selected to develop a crafts marketplace. Up to 500 artisans can be accommodated in the two warehouses each having vendor stalls to showcase their crafts. The Crafted proposal meets the strategic economic development goals of the San Pedro Waterfront Project by: (1) providing a visitor-serving attraction that will bring visitors to the San Pedro waterfront; (2) creating a significant number of jobs as the proposed development will accommodate up to 500 artists selling their crafts at the project's full build-out, expected in June 2014; and (3) enhancing the viability of redeveloping Ports O' Call Village as it will add to the development of a critical mass of visitors along the San Pedro waterfront. The project will promote, foster, accommodate, and enhance statewide public use of the waterfront. The developer anticipates approximately 40 percent of the marketplace patrons will come from outside the harbor area, including state, national and international visitors. Additionally, the developer anticipates that between 5 and 10 percent of Port cruise passengers will visit the marketplace.

Project scope of work – Crafted will convert the two existing warehouses into a visitor-serving crafts marketplace with incidental commercial uses such as a café, food carts, concessions, parking, and special events. Interior improvements will include new restrooms, reconfiguring existing restrooms, fire sprinkler modifications to conform to retail occupancy standards, and electrical and plumbing system improvements. Exterior improvements will include replacement of damaged wood siding, painting, guardrails at exterior walkways, exterior stairs, glazing of existing window openings, and re-roofing. Landscaping and asphalt paving improvements will also be included.

On December 1, 2011, the Board approved a 25-year permit with two 5-year renewal options to Crafted for the use of the warehouses. The project will be constructed over a five-phase development period with a planned opening in June 2012 and final completion in June 2014. This approved permit is expected to generate a 4.56 percent annual rate of return. The Harbor Department's share of annual operating and maintenance costs associated with Warehouse Nos. 9 & 10 are anticipated to be reduced as the proposed permit would require the tenant to undertake maintenance and repair obligations at its sole cost.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 2, is a Level I, non-appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan*. A Level I permit is one of three levels of permits that the Board can issue. Level I permits are issued for projects that involve a minimal development scope of work and minor environmental impacts that can be mitigated.

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The proposed project has been found to be consistent with the Port Master Plan as the development supports a commercial/recreational use, which is an allowable use in Master Planning Area 2, where the proposed project is located. The proposed project has been found to be consistent with Chapter 8 policies of the California Coastal Act of 1976, as amended. Specifically, the adaptive reuse of Warehouse Nos. 9 & 10 is consistent with Section 30708 as it provides for beneficial uses consistent with the public trust.

ENVIRONMENTAL ASSESSMENT:

The proposed action is issuance of a Level I CDP for the conversion of Warehouse Nos. 9 & 10 into a crafts marketplace. The potential environmental impacts of the Crafted project were assessed in an Addendum to the San Pedro Waterfront EIR, which was approved by the Board on December 1, 2011. As an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from CEQA in accordance with Article II Section 2(i) of the City of Los Angeles CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed CDP will have no employment impact.

The economic benefit of Permit No. 896 associated with Crafted at the Port of Los Angeles and approved on December 1, 2011, stated that construction of the crafts marketplace would support 38 direct jobs for the five-county region.

FINANCIAL IMPACT:

The proposed Level I CDP will allow for the adaptive reuse of Warehouse Nos. 9 & 10 into a crafts marketplace in accordance with Crafted's Permit already approved by the Board in December 2011.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed Board report and finds no legal issues to address at this time.

TRANSMITTALS:

1. CDP No. 12-03
2. Site Map of Warehouse Nos. 9 & 10

FIS Approval: zif (initials)
CA Approval: gub (initials)


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APPROVED:


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