



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: SEPTEMBER 21, 2017

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 17-10) TO THE PORT OF LOS ANGELES FOR THE SAN PEDRO WATERFRONT PORTS O' CALL PROMENADE AND TOWN SQUARE PROJECT AT BERTHS 73-84

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 17-10 to the Los Angeles Harbor Department (Harbor Department) to demolish existing structures—in two phases—at Berths 73 to 84 and construct the Ports O' Call Promenade and Town Square project. Staff recommends approval of CDP 17-10.

The project will create new public spaces, parking areas, and floating docks for public access as outlined in the Application for Port Permit (APP) No. 160621-085. The project would require the site to be cleared via demolition of existing buildings, paving, rail, wharfs, floating docks, piles, and utilities. Improvements include grading, sea wall repairs, and utilities. New construction includes roadways, parking areas, landscaping and hardscaping, lighting, signage, wharfs and gangways, and floating docks with pile supports. This project is in coordination with the larger redevelopment of the site known as the San Pedro Public Market (APP# 160323-040). The San Pedro Public Market project will require a separate CDP.

The Port is financially responsible for \$41.1 million of the estimated \$42.3 million project cost, with the remaining balance as grants or reimbursements for demolition.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 17-10, a Level II non-appealable permit;
2. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los

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Angeles City CEQA Guidelines as determined by the Director of Environmental Management;

3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan;
4. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 17-10, consistent with the project description listed on Application for Port Permit No. 160621-085, and direct the Director of Planning and Strategy to issue said permit; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Ports O' Call area is located along the Main Channel between 6th Street and the Southern Pacific Berth Slip 73, east of Sampson Way. The Promenade and Town Square project is located within this area (Transmittal 1). The site was first developed as a major restaurant and retail visitor-serving destination in the 1960s and was a popular regional destination for several decades. The 30-acre site currently features approximately 135,000 square feet of restaurant and retail space. The existing tenant leases are currently on Revocable Permits or are holdover tenancies on a month-to-month basis. The current improvements are at the end of their functional life, dated, and in need of major repair and upgrading.

On September 29, 2009, the Board approved and certified the San Pedro Waterfront Project Environmental Impact Statement/Environmental Impact Report (SPWP EIS/EIR) (APP# 041122-208, SCH# 2005061041) with a horizon year of 2037. The SPWP EIS/EIR assessed the first comprehensive redevelopment of the Ports O' Call site and other development and infrastructure projects intended to transform the San Pedro waterfront into a vibrant urban visitor-serving waterfront destination. The project description for the Ports O' Call site evaluated up to 300,000 square feet of restaurant, retail and entertainment space, up to 75,000 square feet for a conference center, and a 30-foot-wide waterfront promenade.

On February 19, 2015, the Board approved the Public Access Investment Plan, which provides a 10-year budgetary guideline for the continued development and operations of the LA Waterfront at the Port of Los Angeles and other public benefit programs. The investment plan allocated funding for six public access projects. Included in those six projects are the Ports O' Call Promenade and the Town Square.

The Board approved Permit No. 915 with the San Pedro Public Market, LLC for the redevelopment of Ports O' Call area during on May 19, 2016. The approval included a

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50-year ground lease and refinements to the design of the Ports O' Call site that also included the Town Square and reconfiguration of the waterfront promenade. These changes were analyzed in a Third Addendum to the 2009 certified SPWP EIS/EIR that was considered by the Board at the time of the approval. The initial phase of the development is envisioned to include restaurants, retail, entertainment, office uses, open spaces, over water uses, and parking linked together by a promenade.

Project Description – The Ports O' Call Promenade and Town Square Project will create new public spaces and parking areas as well as new floating docks with the renovation of a roadway and the demolition of existing buildings, wharf structures, and deteriorating floating docks. The Town Square section will create a gathering space for public events with the construction of hardscapes with landscapes intermixed while the Promenade section will create an uninterrupted pathway along the water's edge at the project site. New gangways and floating docks would also be integrated into the Promenade.

The proposed project includes the demolition of existing buildings and utilities, the relocation of utilities, and site grading. Abandoned oil lines will be removed; water, sewer, electrical, etc. utility lines will be relocated; landscaping and existing vegetation will be removed; and environmental mitigation such as lead and asbestos abatement of existing structures and soil contamination clean up at Berth 78 will occur. New construction will include roadway modification, new parking areas, landscaping, hardscapes, wharf and gangway structures, floating docks, restrooms, and any other associated improvements. Demolition and construction will be done in phases to minimize impacts to operations and to coordinate with future development of the site.

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 as outlined in Section 6.4.3 of the PMP (Transmittal 2).

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 September 20, 2017 (Transmittal 3).

The Director of the Division of Planning and Strategy has determined that the proposed project is 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 Visitor-Serving Commercial and Open Space. The proposed project is consistent with the Open Space and Visitor-Serving Commercial designations as a standalone project and as a component of future development of the San Pedro Public Market. The proposed project is also consistent with Section 30210 of

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the Coastal Act and Policy 2.2 of the PMP, to which promote design and construction of public access facilities along the waterfront.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Level II non-appealable CDP No. 17-10 to demolish existing structures—in two phases—at Berths 73 to 84 and construct the Ports O' Call Promenade and Town Square projects which were previously assessed in the Third Addendum to the 2009 certified SPWP EIS/EIR that was considered by the Board on May 19, 2016. Based on the findings of the Third Addendum, there are no new significant environmental effects or substantially more severe effects than previously analyzed in the 2009 certified SPWP EIS/EIR. All previously approved mitigation measures and project conditions to reduce or minimize environmental impacts would not change and would be incorporated into the construction specifications for the projects, as applicable. Therefore, as an activity for which the underlying projects have been previously 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 administratively exempt from the requirements of CEQA under Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for the construction of the Ports O' Call Promenade and Town Square project. The Port is financially responsible for \$41.1 million of the estimated \$42.3 million project cost, with the remaining balance as grants or reimbursements for demolition. In addition to the Ports O' Call Promenade and Town Square project, the Harbor Department is currently constructing the Sampson Way realignment project to improve access to the site (\$14.8 million).

• Promenade and Town Square	\$32,900,000
• Berth 79 Demo	\$488,000
• Berth 80-83 Demo	\$1,733,000
• Berth 80-83 Waterside Improvements	\$5,700,000
• Berth 78 Clean-up	\$1,500,000
<i>Subtotal</i>	<i>\$42,300,000</i>
• Sampson Way (under construction)	\$14,800,000
<i>Total</i>	<i>\$55,900,000</i>

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CITY ATTORNEY:

The City Attorney's office has reviewed this Board Report and determined that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 17-10
3. Public Notice



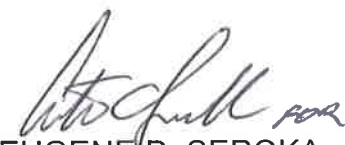
MICHAEL KEENAN
Director of Planning and Strategy

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



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APPROVED:



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