AGENDA
REDONDO BEACH HARBOR COMMISSION
Monday, February 8, 2016, 6:30pm
REDONDO BEACH CITY COUNCIL CHAMBERS
415 DIAMOND STREET

OPENING SESSION

1. **CALL MEETING TO ORDER**

2. **ROLL CALL**

3. **SALUTE TO THE FLAG**

I. APPROVAL OF ORDER OF AGENDA

II. BLUE FOLDER ITEMS

Blue folder items are additional backup material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

III. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Commission Members may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion following Oral Communications.

4. **APPROVAL OF AFFIDAVIT OF POSTING FOR THE HARBOR COMMISSION MEETING OF FEBRUARY 8, 2016**

5. **APPROVAL OF THE FOLLOWING MINUTES: JANUARY 11, 2016**

6. **APPROVE THE AGREEMENT WITH SWIFT SLIP DOCK AND PIER BUILDERS, INC. FOR THE CONSTRUCTION AND INSTALLATION OF THREE REPLACEMENT SLIP FINGERS IN BASIN III**
   (FROM PREVIOUS CITY COUNCIL MEETING ON 1/19/16 – ITEM H.15)

7. **DISCUSSION AND POSSIBLE ACTION ON WATERFRONT REVITALIZATION PROJECT CONTRACTS AND AGREEMENTS**
   (FROM PREVIOUS CITY COUNCIL MEETING ON 1/19/16 – ITEM N.4)

IV. EXCLUDED CONSENT CALENDAR ITEMS

V. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

This section is intended to provide members of the public with the opportunity to comment on any subject that does not appear on this agenda for action. This section is limited to 30 minutes. Each speaker will be afforded three minutes to address the Commission. Each speaker will be permitted to speak only once. Written requests, if any, will be considered first under this section.

VI. EX PARTE COMMUNICATIONS

VII. PUBLIC HEARINGS

VIII. ITEMS FOR DISCUSSION PRIOR TO ACTION

8. **DISCUSSION AND POSSIBLE ACTION REGARDING FINANCING OPTIONS FOR WATERFRONT INFRASTRUCTURE IMPROVEMENT PROJECTS (FROM PREVIOUS CITY COUNCIL MEETING ON 1/19/16 – ITEM N.2)**

9. **DISCUSSION AND POSSIBLE ACTION REGARDING WATERFRONT PARKING STRUCTURE ANALYSIS PREPARED BY WALKER RESTORATION CONSULTANTS (FROM PREVIOUS CITY COUNCIL MEETING ON 1/19/16 – ITEM N.3)**

10. **DISCUSSION AND COMMISSION INPUT TO THE CITY'S STRATEGIC PLAN**
    Staff recommendation: Receive and file

11. **DIRECTOR'S REPORT**
    Staff recommendation: Receive and file

IX. ITEMS CONTINUED FROM PREVIOUS AGENDAS

X. MEMBERS ITEMS AND REFERRALS TO STAFF

XI. ADJOURNMENT

The next meeting of the Harbor Commission of the City of Redondo Beach will be a regular meeting to be held March 14, 2016, in the Redondo Beach Council Chambers, 415 Diamond Street, Redondo Beach, California.

It is the intention of the City of Redondo Beach to comply with the Americans with Disabilities Act (ADA) in all respects. If, as an attendee or a participant at this meeting you will need special assistance beyond what is normally provided, the City will attempt to accommodate you in every reasonable manner. Please contact the City Clerk's Office at (310) 318-0656 at least forty-eight (48) hours prior to the meeting to inform us of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

An Agenda Packet is available at www.redondo.org under the City Clerk. Agenda packets are available at the Redondo Beach Main Library during Library Hours, at the Reference Desk and during City Hall hours in the Office of the City Clerk. Any writings or documents provided to a majority of the Harbor Commission regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter at City Hall located at 415 Diamond Street, Door C, Redondo Beach, CA during normal business hours.

PROOF OF POSTING

I, Holly Short, hereby declare, under penalty of perjury, that I am over the age of 18 years and am employed by the City of Redondo Beach, Harbor Department, and that the following document was posted by me at the following location(s) on the date the time noted below:

Agenda – Redondo Beach Harbor Commission

Regular Meeting of February 8, 2016

Posted on: February 3, 2016 at 11:00 am

Posted at: DOOR "A" BULLETIN BOARD

and CITY CLERK'S OFFICE

Holly Short

Signature

2/3/16

Date

MINUTES OF THE
REDONDO BEACH HARBOR COMMISSION MEETING
JANUARY 11, 2016

CALL TO ORDER
A regular meeting of the Harbor Commission was called to order at 6:00 p.m. in the City Council Chambers, 415 Diamond Street, by Chairperson Bloss.

ROLL CALL

Commissioners Present:	Bloss, Dalton, Keidser, D. Jackson, Shaer, Callahan
Commissioners Absent:	M. Jackson
Officials Present:	Laurie Koike, Waterfront/Economic Development Manager Robert Metzger, Fire Chief Stephen Proud, Waterfront/Economic Development Director Margareet Wood, Recording Secretary

SALUTE TO THE FLAG
Commissioner Keidser led the members in the salute to the flag.

APPROVAL OF ORDER OF AGENDA
The motion by Commissioner D. Jackson and seconded by Commissioner Dalton to consider the Harbor Patrol report following the Consent Calendar was unanimously approved.

CONSENT CALENDAR
4. Approval of Affidavit of Posting for the Harbor Commission Meeting of January 11, 2016
5. Approval of the Following Minutes: December 14, 2015
6. Approve Contract Under $35,000 – Marine Tech for H Dock Repairs
7. Approve Second Amendment to Management Services Agreement Between the City of Redondo Beach and Landmark Acquisition Company Consenting to the Assignment of the Agreement to Leonardo Marina Management, Inc.

Commissioner Bloss corrected the title of Commissioner D. Jackson at the top of page 3 of the December 14 meeting minutes.

The motion by Commissioner D. Jackson and seconded by Commissioner Keidser to approve the Consent Calendar with the corrected minutes was unanimously approved.

EXCLUDED CONSENT CALENDAR ITEMS
None.

PUBLIC HEARINGS
None.

ITEMS FOR DISCUSSION PRIOR TO ACTION
Quarterly Report from Harbor Patrol
Chief Metzger reviewed the latest Redondo Beach Harbor Patrol Statistics. He noted the rise in rock rescues and fire responses for November. He said the mooring permits decreased following an upward trend through October, which is expected due to the season. He clarified the mooring permits are for transient vessel moorings. Regarding SUP enforcement activities, which he said mostly pertains to rules of the road, he said a spike occurred in December and he expected the number to return to average levels. He also noted the rise in PFD enforcement and said typically only repeat offenders are cited. In summary, he said the statistics illustrate much SUP activity in the harbor. For significant events, he reported a multi-agency response to an aircraft landing offshore in October, the opening of lobster season in November, and the Christmas Boat Parade in December. He said Harbor Patrol is busy alerting the harbor community to prepare for the upcoming El Nino. He said the recent storm caused high surf and waves; and the impact to the breakwall will be reported to the Army Corps.

In response to Commissioner D. Jackson, Chief Metzger said information regarding storm preparation is available via the City webpage.

In response to Commissioner B. Dalton, Chief Metzger stated that illegal SUP launching sites include the area where the dock was removed, the rocks, the horseshoe area, and all areas where swimming is prohibited. He clarified the small dock is still out of water, and the hoist is the only sanctioned launching area at this time.

Commissioner Dalton advised he is hearing reports from boaters that SUPS go behind the boats, creating a hazardous situation; and he recommended getting the SUPS out of the congested hoist area as soon as possible.

Chief Metzger confirmed hearing the same reports, adding that concerted efforts are underway to promote rules of the road.

In response to Chairperson Bloss regarding a previous request to add rental moorings to the report, Chief Metzger stated the existing mooring permits section largely refers to the mooring field. He specified that some of the moorings are rentals; however some non-fee moorings are maintained by the City for the purpose of detaining boats when necessary.

In response to Commissioner Dalton who asked how often the transient vessel moorings are used, Chief Metzger said currently they are significantly underutilized.

Regarding the report, Commissioner Callahan asked about the mooring permits issued with initial slip rental and vessel inspection, to which Chief Metzger said he will look further into the statistical preparation and report back.

Mark Hansen, King Harbor Boaters Advisory Panel, noted the 3 rock rescues in November and said he recently witnessed 27 family members in the lower rock area and 14 skateboarders, which he said is a hazardous situation.

The motion by Commissioner Callahan and seconded by Commissioner D. Jackson to receive and file the Harbor Patrol report was unanimously approved.

PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
None.

EX PARTE
None.

ITEMS FOR DISCUSSION PRIOR TO ACTION
Quarterly Submittal of City Strategic Plan Update
Director Proud said the next Strategic Plan workshop is scheduled for March and the Harbor Commission is scheduled to discuss and make recommendations at their meeting in February. He reviewed the current objectives relative to WED:

- Boat ramp location – according to the EIR process, topic will be taken up after the draft EIR comment period is closed
- Sea level rise – addressed in EIR, upcoming presentation with WED/Public Works to City Council and Harbor Commission
- Citywide parking requirements – WED working with Community Development on parking requirements related to economic development
- Feasibility of storefront improvement program – continued to future Strategic Plan
- Financing pier parking structure –scheduled for January 19 Council agenda, will agendize for February Harbor Commission
- State tax financing increment law – report at February Harbor Commission meeting

In response to Chairperson Bloss regarding the item to consider technology to regulate pedestrian/bicycle traffic at the south end of the pier, Director Proud said that item is not assigned to the WED office; and he will inquire with Public Works.

Chairperson Bloss mentioned resident requests for a light there and she requested more information.

In response to Commissioner Dalton regarding upcoming boat ramp location outreach meetings, Director Proud said the EIR includes 9 options for boat launch locations and there are strong opinions within the community. He said the

EIR largely focuses on environmental factors and does not address cost, etc. He said he will send out the final schedule for workshops and meetings.

Commissioner Dalton stressed the importance of seeking input from the boaters regarding boater safety and navigation prior to making a decision. He recalled a previous meeting schedule for the Joe's Crab Shack location with weekday and weekend meeting times.

In response to Commissioner Shaer regarding the objectives to review the fiscal impact for financing construction of a replacement pier parking structure and other harbor public infrastructure and to research the new State tax increment financing law to fund public infrastructure and other projects, Director Proud said his office is working with infrastructure and financial consultants KNN and Kosmont and with Walker Restoration Consultants who reanalyzed and will provide an update for the maintenance and replacement costs of the parking structure.

In response to Commissioner Shaer regarding how that corresponds to the waterfront project, Director Proud said the key piece of information to be provided will be the capacity of the Harbor Enterprise Fund to support construction or maintenance of new construction going forward. He said understanding what the City can independently afford is important when looking at how best to achieve all that needs to be done in waterfront.

In response to Commissioner Shaer, Director Proud said CenterCal is preparing an independent analysis with a separate consultant. He explained that Kosmont does not work for CenterCal; however does represent the City in those conversations.

In response to Commissioner Keidser, Director Proud said the EIR public comment response will take at least 60 days and will not be available prior to the boat ramp location workshops.

Mr. Hansen said it was presumed to schedule the boat ramp discussions in time for EIR public comments; however that did not happen. He expressed disappointment the previous input from boaters was not incorporated within the EIR and he planned to list missing items. He recalled a previous plan to hold 2 internal workshops prior to coming before the Harbor Commission; and he felt it is a mistake not to seek the boaters' knowledge and experience first.

Director Proud said the existing list of boat launch locations and method for selection was established prior to his arrival at the City. He clarified there are no public outreach meetings scheduled prior to the February Harbor Commission meeting.

The motion by Commissioner Keidser and seconded by Commissioner D. Jackson to receive and file the Strategic Plan updates was unanimously approved.

Director's Report

Highlights from Director Proud's report include:

- Storm update – the pier was closed recently for a short period due to wave action, some straps for utilities under the pier were damaged and will be reinstalled, no major issues on International Boardwalk
- Nuisance bird abatement – falconer will begin by removing pigeons within a week or 2, estimate falcons will be flying on regular basis in 8 weeks'
- Dock repairs - H dock scope of work to Council in December, Basin 3 scope of work to Council in January, repair work next week in front of International Boardwalk

In response to Commissioner Dalton, Director Proud explained the dock repair is partially deferred maintenance, adding that some areas have been worked on and others have not.

- Small boat launch facility – repairs ongoing, anticipate completion at the end of January, weather patterns will determine when launch returned to water
- CenterCal EIR process - public workshops concluded, comments received in support and opposition, few addressed issues of EIR, deadline for comment period is January 19, response period follows, anticipate presentation at April Harbor Commission meeting
- SUP signage – Director Proud distributed a map which he said is a draft of SUP areas and the final will be mounted in key locations. Manager Koike said the map was created for the SUP RFP and the final map will include landmarks, less text, and no street names.

The motion by Commissioner D. Jackson and seconded by Commissioner Keidser to receive and file the SUP signage map was unanimously approved.

Commissioner Shaer said the graphic is great; however it doesn't show the course between SUP areas, and he suggested delineating the optimal and safest connection.

Commissioner Dalton recommended adding *No Swimming in the Harbor.*

- Shade Hotel – project moving forward, pursuant to lease developer is obligated to make additional payment, notice of default has been sent for 3 rent payments due, meeting with Shade scheduled next week, City has not received official date of opening

In response to Commissioner Shaer who inquired about the previous condition of approval for a green screen improvement on the south facing wall of the hotel,

Director Proud said there has been much conversation about the wall and he will consult the Community Development Department and report back next month.

Commissioner Shaer recalled he stated the condition at the time of project approval; and he requested to know what's going to happen and if the screen can be done.

The motion by Commissioner D. Jackson and seconded by Commissioner Shaer to receive and file the Director's Report was unanimously approved.

ITEMS CONTINUED FROM PREVIOUS AGENDAS
None.

MEMBERS ITEMS AND REFERRALS TO STAFF
Commissioner Shaer requested to add event updates/activities to future Director reports.

In response to Commissioner Dalton, Director Proud said he has not received a report from the master lessee, RDR, regarding compliance by the new nightclub sublessee on the pier.

In response to Commissioner D. Jackson, Director Proud reported he has received no information on the former Maison Riz space on the pier.

The motion by Commissioner Keidser and seconded by Commissioner D. Jackson to adjourn was unanimously approved. Chairperson Bloss adjourned the meeting at 7:45 p.m.

Respectfully submitted,

Stephen Proud
Waterfront and Economic
Development Director

Administrative Report

Council Action Date: JANUARY 19, 2016

To: **MAYOR AND CITY COUNCIL**

From: **STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR**

Subject: **APPROVAL OF SWIFT SLIP DOCK AND PIER BUILDERS, INC. AGREEMENT AND APPROPRIATION OF FUNDING FOR THE CONSTRUCTION AND INSTALLATION OF REPLACEMENT SLIP FINGERS IN BASIN III**

RECOMMENDATION

1) Approve the agreement with Swift Slip Dock and Pier Builders, Inc. for the construction and installation of three replacement slip fingers in Basin III, for an amount not to exceed $61,668; and authorize the Mayor to execute the document on behalf of the City.
2) Adopt by 4/5 vote a resolution appropriating $61,668 from the City's Harbor Uplands Fund for this purpose.

EXECUTIVE SUMMARY

Basin III of the Redondo Beach Marina is home to Chevron Products and their subcontractor Foss Maritime. Chevron and Foss exclusively occupy H Dock, which is the primary dock used for around the clock loading and unloading of personnel and government staff going to and from ships berthed in the Chevron moorings in front of the El Segundo refinery. Council approved the repair of H Dock on December 15, 2015.

In addition to occupying H Dock, Foss berths the Lucy Foss and Caribe Alliance in the main dock adjacent to the International Boardwalk, which is located in the City's Harbor Uplands area. The three slip fingers surrounding the two Foss vessels are approximately 27 years old and are in need of replacement due to the ongoing impact associated with large docked vessels, heavy surge due to its location at the main channel and concerns about the winter storms. Swift Slip Dock and Pier Builders, Inc. will build and install three replacement slip fingers.

BACKGROUND

Chevron Products (Chevron) and Foss Maritime (Foss) have been a part of the Redondo Beach Marina for approximately six (6) years. Foss provides marine

transportation and logistical services, including ocean towing, from local harbors throughout North America. The three slip fingers that surround slips #113 and #114, which are located adjacent to the International Boardwalk, experience heavy foot traffic by Foss and by employees and guests accessing the Redondo Special sportfishing boat and pedal boat rentals. This dock area is located within the City's Harbor Uplands area.

Slip fingers are small floating pontoons separating and offering access to berthed boats in a marina, as well as providing mooring line attachment points. In May, 2013 these particular slip fingers underwent extensive repairs but given their current condition, must now be replaced. The internal framework and planking has exceeded their useful life and are beyond repair. The existing and failing hinge system will be eliminated and floats will be replaced to eliminate listing.

If the slip fingers replacement project is approved, it will take approximately two (2) weeks to pre-fabricate the structures at the Swift warehouse. Upon completion, the fingers will be delivered to the Redondo Beach Marina to be installed within an anticipated three-day period.

The current Harbor Uplands budget does not include funding for this project. Therefore, staff recommends adoption of the attached Resolution to appropriate $61,668 from the City's Harbor Uplands Fund to provide funding for the agreement with Swift Slip Dock and Pier Builders, Inc. The contracted amount includes a 15% contingency to allow for unanticipated changes in the scope of work.

Three proposals were received for the slip finger replacement project. The Swift Slip Dock and Pier Builders, Inc. pricing was the lowest due to their ability to pre-fabricate the three fingers offsite at their factory. The company specializes in dock repair, boat dock construction, and pier repairs. The company recently won the bid for the Fuel Dock work in Basin II and has previously worked on projects for Port Royal Marina. The mechanical plans for the slip fingers design and installation were reviewed and approved by Community Development. Swift Slip Dock and Pier Builders, Inc. will coordinate the installation with the Redondo Beach Marina management.

COORDINATION

The Waterfront and Economic Development Department coordinated this project with Public Works, Community Development and Finance. The City Attorney's Office has approved the document as to form.

FISCAL IMPACT

The attached Resolution will appropriate $61,668 from the anticipated $1 million year-end fund balance of the Harbor Uplands Fund to the FY 2015-16 Annual Budget for the Waterfront & Economic Development Department. This is a not-to-exceed figure, meaning that a portion of the contact amount, if unspent, could return to the Harbor Uplands Fund.

Submitted by:

Stephen Proud, Waterfront & Economic Development Director

Approved for forwarding by:

Joe Hoefgen, City Manager

Attachments:

- Agreement with Swift Slip Dock and Pier Builders, Inc.
- A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, AUTHORIZING A FISCAL YEAR 2015-2016 BUDGET MODIFICATION TO APPROPRIATE $61,668 FROM THE HARBOR UPLANDS FUND AVAILABLE BALANCE TO THE 2015-2016 ANNUAL BUDGET FOR ADDITIONAL CONTRACTS AND PROFESSIONAL SERVICES EXPENDITURES WITHIN THE WATERFRONT & ECONOMIC DEVELOPMENT DEPARTMENT TO CONSTRUCT AND INSTALL THREE NEW SLIP FINGERS AT BASIN III.
- Slip Fingers Location Map
- Slip Fingers Photos #1 and #2
- Slip Fingers Approved Drawings

All supporting documentation for **Consent Items**

can be found online at the City's website

www.redondo.org

under the corresponding City Council Meeting

city offices/city clerk/agenda & minutes

City Council Meeting

January 19, 2016

Item H.15

Administrative Report

Council Action Date: January 19, 2016

To: **MAYOR AND CITY COUNCIL**

From: **STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR**

AARON JONES, COMMUNITY DEVELOPMENT DIRECTOR

Subject: **DISCUSSION AND POSSIBLE ACTION ON WATERFRONT REVITALIZATION PROJECT CONTRACTS AND AGREEMENTS;**

- **FOURTH AMENDMENT TO REIMBURSEMENT AGREEMENT**
- **THIRD AMENDMENT TO CONTRACT WITH CDM SMITH FOR ENVIRONMENTAL CONSULTING SERVICES**
- **FIFTH AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT**

RECOMMENDATION

1. Approve the Fourth Amendment to the Reimbursement Agreement with CenterCal Properties for processing the proposed Waterfront Project and associated transaction documents.
2. Approve the Third Amendment to the Contract with CDM Smith for Environmental Consulting Services associated with the proposed Waterfront Project
3. Approve the Fifth Amendment to the Exclusive Negotiating Agreement with CenterCal Properties for the proposed Waterfront Project

EXECUTIVE SUMMARY

The City Council has made the revitalization of the waterfront a key strategic priority for many years. In 2012, CenterCal Properties ("CenterCal") was selected via a competitive RFP process to partner with the City on the redevelopment of a selected portion of the Waterfront that spans from Torrance Blvd. to Portofino Way –including portions of the pier. In 2013, the City Council approved an Exclusive Negotiating Agreement (ENA), a Reimbursement Agreement (RA), and a Memorandum of Understanding (MOU) with CenterCal to move the project forward. A short definition of each of these documents is provided below for reference;

Definitions

- Exclusive Negotiating Agreement (ENA): A binding agreement providing a period of time during which the City agrees to deal exclusively with CenterCal Properties regarding development of the project site. This is a common agreement used in large scale public-private developments that provides the requisite certainty for private sector investment.
- Memorandum of Understanding (MOU): A non-binding agreement that establishes basic business terms for the transaction between the City and CenterCal as well as a schedule for interim project milestones. If the City Council approves the project, the MOU would eventually be superseded by a binding long term ground lease.
- Reimbursement Agreement (RA): A binding agreement that establishes a budget for the City's environmental review and project processing and commits CenterCal to reimburse the City for the cost of items included in the approved budget.

Since City Council approvals in 2013, significant progress has been made with the development of a waterfront project site plan, the publication of the Draft Environmental Impact Report (EIR) for public review, and the negotiations regarding a transaction structure that will be incorporated into the ground leases necessary for the project to begin implementation.

However, due in large part to an expansion in the scope of the environmental review - including additional project alternatives and cumulative analyses - and an extended public review and comment period, the estimated timeline to complete the Environmental Review process and the completion of the various transaction and entitlement documents is now expected to be completed in the Summer/Fall of 2016. This expansion in the scope of review and extension of the timeline requires corresponding amendments to the RA, the Contract with CDM Smith (the City's EIR consultant), and the ENA as follows:

Summary of proposed amendments:

- Reimbursement Agreement (RA): The proposed Fourth Amendment to the RA would increase the budget for environmental, legal, and other review by $610,948 from $2,219,908 to $2,830,856 to accommodate the expanded timeline and scope. CenterCal has agreed to reimburse the City for these additional costs.
- CDM Contract Amendment: The proposed Third Amendment to the CDM Smith Contract would increase the total contract amount by $435,380 from $1,160,476 to $1,595,856. These additional funds are necessary to cover scope changes related to:

- Additional Chapter/Section Revisions
- Additional Analysis
- Changes to Cumulative Base and Land Use Factors
- Additional Response to Comments
- Extended Project Management
- Additional Public Meeting and Mailings

- Exclusive Negotiating Agreement (ENA): The proposed Fifth Amendment to the ENA would extend the exclusive negotiating period between the City and CenterCal from August 5, 2016 to December 31, 2016. This additional time will demonstrate the City's continuing commitment to working with CenterCal and better aligns the completion timeframe with the updated project review schedule and the environmental contract with CDM Smith which is currently set to expire on November 18, 2016.

BACKGROUND

The long history of revitalization efforts in the Redondo Beach Waterfront has been based on extensive public outreach and stakeholder involvement. Public input on land use in the waterfront during the early 2000's ultimately culminated in the current comprehensive zoning and property development standards approved by the voters of Redondo Beach through Measure G and certified by the California Coastal Commission. Current revitalization efforts, including recent public and private investment, as well as the development concept proposed by the City's selected private sector partner – CenterCal – have been facilitated by the adoption of these voter-approved parameters.

CenterCal was selected by the City as its private development partner through a competitive proposal process in 2012. In January 2013, the City Council approved an ENA with CenterCal. This document provided for an exclusive period during which the City agreed not to work with any other developer for the proposed site. In March 2013 a Reimbursement Agreement was approved by the City Council which provided for the reimbursement by CenterCal of up to $1,928,000 in city costs for the processing and environmental review of the proposed project. The City Council took further action in July and November of 2013, initiating an EIR based on the proposed site plan and approving a non-binding Memorandum of Understanding (MOU) which outlines a basic framework for the potential partnership between the City and CenterCal.

Since these actions were taken by the City Council, significant progress has been made on developing a Waterfront project site plan. The Waterfront project will revitalize approximately 36 acres of the City's 150-acre waterfront by redeveloping and expanding

local- and visitor-serving commercial uses; enhancing public access and coastal recreational opportunities; and improving the aging infrastructure, including the Pier Parking structure. The project includes significant improvements to site connectivity, public access and open space along the waterfront and integrates public and private uses to create a vibrant new Village concept within harbor. The proposed mix of uses with the development include office (12%), new retail (20%), restaurants and dining (35%), a boutique hotel (24%), and a specialty theater (9%) - all of which are consistent with the goals and objectives of the City's local coastal program.

In addition to the site planning work, considerable effort has gone into preparing a Draft Environmental Impact Report to analyze and document any potential adverse impacts from the proposed development. This phase of work included major data collection, project description refinement, preparation of an Initial Environmental Study (IES), issuance of a Notice of Preparation (NOP), preparation of technical studies and supporting reports, conducting market studies, and preparing and distributing the Draft EIR for public review and comment. The Draft EIR was published on November 17, 2015 and the public comment period closes at 5:30pm on January 19, 2016. The final EIR, which includes a response to the public comments received on the draft, is expected to be completed and first considered by the appropriate public agencies in the late Spring/early Summer of 2016. Deliberations by the Harbor Commission on the EIR and likely by the City Council are anticipated to occur over the Summer with final deliberations in the Fall. The completion of the final EIR would then be followed by local, state, and federal permit consideration lasting well into 2017.

The updated timeline represents an extension of approximately six months from the previous estimate. There are several reasons for this extension including an expansion in the scope of environmental analysis to include a wider than anticipated range of project alternatives as well as a more comprehensive cumulative analysis. In addition, the public comment period was expanded from the statutory requirements and there has been additional technical analysis necessary to improve the accuracy and ensure that the draft EIR has addressed the full range of potential impacts.

Based on this extension of the scope and timeline, it is necessary to amend the contract with CDM Smith and to make corresponding adjustments to the RA and the ENA. The initial contract with CDM Smith was for an amount not to exceed $910,772. The contract has been amended twice and is currently set at an amount not to exceed $1,160,476. The proposed Third Amendment will increase the not to exceed total of the contract to $1,595,856 – an increase of $435,380. The increase in cost is directly related to the extension of the EIR timeline and the expansion in scope of environmental analysis. More specifically, the increased scope includes:

- Additional Chapter/Section Revisions
- Additional Technical Analysis

- Changes to Cumulative Base and Land Use Factors
- Additional Response to Comments
- Extended Project Management
- Additional Public Meetings and Expanded Mailings

The proposed Fourth Amendment to the RA will incorporate the cost of the expanded scope of the environmental review outlined above and additional costs associated with processing the project. The total budget for the RA is proposed to increase from $2,219,908 to $2,830,856 – a $610,948 increase. A more detailed breakdown of the changes to the budget on a line item basis is included below;

Service	Provider of Service	Current RA Budget	Proposed RA Budget
Appraiser	Integra	$ 75,000.00	$ 75,000.00
Bond Counsel	Richards, Watson & Gershon	$ 25,000.00	$ 25,000.00
CEQA and Land Use Counsel	Sohagi Law Group	$ 225,000.00	$ 365,000.00
CEQA Consultant	CDM Smith	$ 967,908.00	$ 1,408,856.00
Contingency	-	$ 25,000.00	$ -
Contract Planning Services	CDM Smith	$ 187,000.00	$ 187,000.00
Contract Building and Engineer	-	$ 45,000.00	$ -
Financial Advisor	KNN	$ 50,000.00	$ 50,000.00
Market Consultant	Jeff Green	$ 20,000.00	$ 20,000.00
Real Estate\Economic Consultant	Kosmont	$ 400,000.00	$ 400,000.00
Real Estate Transaction Counsel	Kronick Moskovitz Tiedemann & Girad	$ 200,000.00	$ 300,000.00
	Total	**$ 2,219,908.00**	**$ 2,830,856.00**
		Increase	**$ 610,948.00**

As the project has continued to move forward, we have gained a better understanding of the budgetary needs and how those costs should be appropriately distributed within the public private partnership. As such, the cost associated with Contract Building and Engineer have been removed from the RA and the contingency has been eliminated. As referenced above, the categories for CEQA Consultant and CEQA Counsel have been increased as the scope and timeline for the EIR has increased.

It is important to note that costs shown in the RA represent only those costs that that are appropriate for CenterCal to reimburse the City for in connection with the proposed development. As the project has moved from the planning and EIR stage, to the negotiation phase regarding the financial transaction between the City and the CenterCal, the costs associated with Real Estate Consulting services and Real Estate Transaction Counsel are more appropriately borne by the City. In addition, there are certain elements of the project, such as additional environmental remediation due diligence and a potential Tidelands Trust Exchange, which would be of value to the

Waterfront Revitalization effort, regardless of the potential CenterCal transaction. Consequently, the costs associated with these activities are also being funded by the City.

It should be noted that there is a condition in the Amendment to the RA which states that the documents are only valid if approved along with the proposed Fifth Amendment to the ENA. CenterCal is willing to fund the proposed increase to the RA only if the timeframe in the ENA is extended to allow for the project's full consideration.

The ENA is currently set to expire on August 5, 2016. Although the City and CenterCal are working diligently to complete the environmental review and prepare the appropriate transaction and entitlement documents for consideration by the city and other relevant public entities, any delays may result in the process being extended beyond this date. If the ENA were to expire prior to completion of environmental review and approval of the transaction and entitlement documents, it would result in a situation whereby the City and CenterCal would be out of contract prior to the proposed project being considered for approval or denial. With several million dollars of investment already expended, and additional significant expenditures required, City staff and CenterCal are recommending that the ENA be extended long enough for the project to receive full and proper consideration by the City. In addition, it should be noted that CDM Smith's contract runs through November 18, 2016. To that end, the attached Fifth Amendment to the ENA extends the outside date of the ENA from August 6, 2016 to December, 31, 2016, approximately six weeks past the expiration of the environmental contract.

COORDINATION

The Waterfront & Economic Development Department coordinated the preparation and review of theses proposed amendments with the Community Development Department, the Financial Services Department, the City Manager's Office, and the City Attorney's Office.

FISCAL IMPACT

The total investment in the Redondo Beach Waterfront could well exceed $400M over the next 5 to 10 years. This includes investment in the public infrastructure by the City as well as significant additional investment by private sector partners such as CenterCal. The new retail, entertainment, hospitality, and coastal recreation uses potentially resulting from the Waterfront Revitalization are forecast to generate new annual revenue to the City's General Fund and the Harbor Funds through sales tax, transient occupancy (hotel) tax and leasehold ground rent which is estimated at approximately $3M.

The proposed amendment to the ENA to extend the date has no direct fiscal impact to the City. The proposed amendment to the RA increases the total budget for environmental review and processing by approximately $611,000. These costs will be fully reimbursed by CenterCal and, therefore, there is no direct fiscal impact to the City associated with the Amendment to the RA. The City will incur costs associated with the ongoing negotiation of various transaction documents and the amendment of the Tidelands Trust boundaries needed to support waterfront operations and/or future development. Funding for these costs is budgeted in the Harbor Departments FY2015-2016 annual operating budget.

Submitted by:
Stephen Proud, Waterfront and Economic Development Director

Approved for forwarding by:
Joe Hoefgen, City Manager

Attachment(s):

- Exclusive Negotiation Agreement with CenterCal Propoerties
- 1st Amendment to Exclusive Negotiation Agreement with CenterCal Properties
- 2nd Amendment to Exclusive Negotiation Agreement with CenterCal Properties
- 3rd Amendment to Exclusive Negotiation Agreement with CenterCal Properties
- 4th Amendment to Exclusive Negotiation Agreement with CenterCal Properties
- 5th Amendment to Exclusive Negotiation Agreement with CenterCal Properties
- Contract with CDM Smith
- 1st Amendment to Contract with CDM Smith
- 2nd Amendment to Contract with CDM Smith
- 3rd Amendment to Contract with CDM Smith
- Reimbursement Agreement with CenterCal Properties
- 1st Amendment to Reimbursement Agreement with CenterCal Properties
- 2nd Amendment to Reimbursement Agreement with CenterCal Properties
- 3rd Amendment to Reimbursement Agreement with CenterCal Properties
- 4th Amendment to Reimbursement Agreement with CenterCal Properties

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City Council Meeting

January 19, 2016

Item N.4

Administrative Report

Council Action Date: January 19, 2016

To: **MAYOR AND CITY COUNCIL**

From: **STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR**

CRAIG KOEHLER, FINANCE DIRECTOR

Subject: **DISCUSSION OF FINANCING OPTIONS FOR WATERFRONT INFRASTRUCTURE IMPROVEMENT PROJECTS**

RECOMMENDATION

Receive and file a report on financing options for various waterfront infrastructure improvement projects.

EXECUTIVE SUMMARY

The City of Redondo Beach is engaged in a revitalization of the Waterfront which includes significant new public and private investment in the coming years. To realize the promise of a world-class Waterfront, the City must evaluate the existing infrastructure that serves the Waterfront as well as the cost/benefit of new potential visitor serving amenities. The public infrastructure that exists in the waterfront today was developed in a piecemeal fashion over many years and lacks the functionality necessary to provide a first rate visitor experience. In addition, given the advanced age of the facilities, many have or are reaching the end of their useful life and will require significant expense to repair and/or replace in the coming years.

On May 5, 2016, the City Council authorized an RFP for a Financial Advisory Services to assist the City in determining its own capacity and the possible structure of public financing that may be used to finance infrastructure improvements within the Waterfront. On July 21, 2015, the City Council selected KNN to perform the identified scope of services. KNN has completed its capacity analysis and has outlined three possible options for structuring public debt utilizing funds from the Harbor Enterprise to support infrastructure projects within the Waterfront. The supportable debt that can be expended on these improvements ranges from $34.1M to $60.9M – depending on several risk factors and financial assumptions outlined in their analysis. In addition, a fourth scenario was prepared that evaluated the cost to the Redondo Beach taxpayers if the City were to issue a General Obligation Bond for the waterfront improvements.

In addition to the KNN analysis, research was also conducted on recent updates to the State of California's requirements for establishing an Enhanced Infrastructure Financing District ("EIFD") to determine the applicability of the program to fund infrastructure improvements within the Waterfront, as well as other locations within the City. The review of a waterfront EIFD was added as a Strategic Plan Objective in October 2015.

BACKGROUND

The City Council has made the revitalization of the waterfront a key strategic priority for many years. The City Council adopted an Asset Management Plan for the Waterfront in 2007, and the Harbor Enterprise Business Plan in 2010. These documents serve as the blueprint for the City's Waterfront revitalization efforts. More recently, the City Council issued an RFP and selected CenterCal as its private sector partner to assist with the revitalization effort, which includes the replacement and construction of significant new public infrastructure and amenities within the Waterfront. The estimated hard-costs (construction only) of these improvements ranges from $37.5M to $108M.

To advance this effort, the City issued an RFP for Financial Advisory Services on May 5, 2015. The financial advisors scope of work includes providing a range of options for financing the City's investment in waterfront public infrastructure, including the replacement of the Pier Parking Structure, and assisting the City in implementing the optimal form of financing when a type and final dollar amount are determined. On July 21, 2015, the City Council selected KNN from a field of five financial advisors that responded to the RFP, and a contract was executed with KNN on August 18, 2015.

The analysis prepared by KNN is attached to this Administrative Report. It evaluates the City's capacity to service public debt and outlines four financing options the City could utilize to fund new Waterfront infrastructure. Under each of the four scenarios, the assumption is made that the City has a maximum of approximately $4.8M from the Harbor Enterprise Fund (approximately 60% Tidelands and 40% Uplands) to support debt service payments. In addition, each scenario assumes that a portion of any proceeds received will be used to retire an existing Department of Boating and Waterways Loan, and the loans associated with the acquisition of Pier Plaza, the International Boardwalk, and the Redondo Beach Marina, thereby increasing overall borrowing capacity.

In Scenario 1, the City would issue Enterprise Revenue Bonds that are secured by a Net Revenue Pledge of the Harbor Enterprise Fund. Using this model, the City could secure debt totaling approximately $34.1M for use on waterfront improvements. Under Scenario 2, the City would also issue Enterprise Revenue Bonds, but they would be secured by a Gross Revenue Pledge of the Harbor Enterprise, which means the expenses attributable to the Harbor Fund are subordinate to the debt service associated

with the Bonds. This allows for a more aggressive financial structure that increases the debt issuance to approximately $54.2M, but it also places the City's General Fund at greater risk should revenues decline and become insufficient to offset expenses.

Under Scenario 3, the City would issue Lease Revenue Bonds under a Lease-Leaseback structure. Because this option relies on pledging City assets as security and payments from the City's General Fund, with corresponding repayment from the Harbor Enterprise, this financial structure can achieve more favorable funding and leverage parameters and thus provides the opportunity to issue greater debt of approximately $60.9M. However this type of financing comes at even greater risk to the General Fund and would encumber City assets that could be used for other General Fund facility needs, such as a new City Hall, Police and/or Fire Stations.

Scenario 4 assumes the issuance of a General Obligation Bond that is paid for by the taxpayers of Redondo Beach. It requires voter approval and obligates the City's General Fund. Under this Scenario, the City could fund a wide range of improvements to the Waterfront infrastructure. If the City were to fund the high end of the infrastructure cost projection, the total debt would be in excess of $108M and the cost per household would be approximately $39.00 per $100k in assessed value. For a home valued at $700k –this represents an annual tax of approximately $273 over the 30-year life of the bonds.

Scenarios 1-3 outlined above assume the issuance of debt that is largely serviced from the current operation and related revenues and expenditures of the Harbor Enterprise. If the City were to move forward with an aggressive revitalization of the Waterfront that included new development, there may other financing mechanisms available that could take advantage of the increasing property tax increment. One such structure is an Enhanced Infrastructure Financing District ("EIFD").

<u>Enhanced Infrastructure Financing District</u>
An Enhanced Infrastructure Financing District may be created within a city or county and used to finance the construction or rehabilitation of a wide variety of public infrastructure and private facilities. An EIFD may fund these facilities and development with the property tax increment of those taxing agencies (cities, counties, special districts, but not schools) that consent. Such facilities include, but are not limited to:

- Highways, interchanges, bridges, arterial streets, parking and transit facilities
- Sewage treatment, water reclamation plants and interceptor pipes
- Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles
- Facilities to collect and treat water for urban uses
- Flood control levees and dams, retention basins, and drainage canals

- Parks, recreational facilities and amenities, open space and libraries
- Brownfield restoration and other environmental mitigation.

There is a defined protocol that must be followed to establish an EIFD that includes:

- Defining project boundaries;
- Adoption of a resolution by the City to establish the District;
- Appointing a Public Financing Authority; and
- Preparing and Approving an Infrastructure Financing Plan

An initial review of the Waterfront and other areas of the City that may experience significant growth in the property tax base, such as the AES site, suggests that an EFID could be a useful public financing tool. As the transaction structure and related financing options for the Waterfront evolve, the use of an EIFD will be further evaluated.

COORDINATION

The Waterfront & Economic Development Department coordinated the analysis of options for financing infrastructure improvements with the Finance Department and the City Manger's Office.

FISCAL IMPACT

Based on previous estimates and analyses, the planning level hard-cost (construction only) estimate to repair and maintain, and/or replace the waterfront's various public improvements and infrastructure range from $37.5M to $108M. It should be noted that the formal design, engineering, and management of the projects will likely add an additional 40% to the cost.

The analysis conducted by KNN estimates that the best-case bonding capacity of the Harbor Enterprise (exclusive of a GO Bond) ranges from $34.1M to $60.9M. These ranges are based on the performance of the Harbor Enterprise as outlined in the City's 2014-2015 CAFR, which was a high performing year for the Enterprise. If a broader 10-year average is used, the funds available to support new debt is lower and thus total proceeds to support infrastructure improvements would be reduced accordingly. This indicates that there is insufficient capacity within the Harbor Enterprise to address the full range of infrastructure needs within the Waterfront.

Submitted by:
Stephen Proud, Waterfront and Economic Development Director

Approved for forwarding by:
Joe Hoefgen, City Manager

Attachment(s):

- KNN Analysis of Financing Options for the Waterfront Infrastructure Project

All supporting documentation for **Consent Items**

can be found online at the City's website

www.redondo.org

under the corresponding City Council Meeting

city offices/city clerk/agenda & minutes

City Council Meeting

January 19, 2016

Item N.2

Administrative Report

Council Action Date: January 19, 2016

To: **MAYOR AND CITY COUNCIL**

From: **STEPHEN PROUD, WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR**

Subject: **DISCUSSION OF WATERFRONT PARKING STRUCTURE ANALYSIS PREPARED BY WALKER RESTORATION CONSULTANTS**

RECOMMENDATION

Receive and file a report from Walker Restoration Consultants that updates the findings and cost estimates of the 2012 Assessment of the Harbor Parking Structures.

EXECUTIVE SUMMARY

On July 21, 2015, the City Council received a summary and planning level estimates of what it would cost to repair, maintain, and/or replace various public improvements and infrastructure within the City's waterfront. The hard cost (construction only) estimates ranged from $37.5M to $108M for improvements that would need to be implemented over the next 2 to 15 years. One of the largest components of the estimate were the costs associated with the repair and/or replacement of the Pier and Plaza parking structures.

To better understand the costs associated with the parking facilities, the City Council approved a contract with Walker Restoration Consultants ("Walker") on August 18, 2015. Walker performed an initial assessment of the parking structures in 2012 and is well suited to conduct a supplemental assessment that provides an updated estimate of the maintenance expenses associated with extending the useful life of the existing structures and the costs of constructing replacement structures.

The updated assessment is complete and outlines the costs associated with three different scenarios – a three (3) year repair and maintenance program which is estimated at $508K; a 10-15 year repair and maintenance program which is estimated at $18.3M; and the cost for the full replacement of the Pier Parking Structure which is estimated at $49.6M. These costs include design, engineering, project management and construction and are consistent with the range set forth in the July 21, 2015 infrastructure report to the City Council.

BACKGROUND

The City Council has made the revitalization of the waterfront a key strategic priority for many years. The City Council adopted an Asset Management Plan for the Waterfront in 2007, and the Harbor Enterprise Business Plan in 2010. These documents serve as the blueprint for the City's Waterfront revitalization efforts. More recently, the City Council issued an RFP and selected CenterCal as its private sector partner to assist with the revitalization effort, which includes the replacement and construction of significant new public infrastructure and amenities within the Waterfront.

On July 21, 2015, the City Council received a summary and planning level estimates of what it would cost to repair, maintain, and/or replace various public improvements and infrastructure within the City's waterfront. The hard cost (construction only) estimates ranged from $37.5M to $108M for improvements that would need to be implemented over the next 2 to 15 years. The most significant component of the cost estimate were the costs associated with the repair, maintenance and/or replacement of the Pier and Plaza Parking Structures (Parking Structures) which include approximately 1,350 public parking spaces for waterfront retail, office and recreation uses.

In an oceanfront location, rebar- enforced concrete is particularly susceptible to rapid deterioration because of exposure to high humidity and salt air. Portions of the Parking Structures are showing signs of wear and deterioration. Cracks and concrete spalling are evident in several locations. Rust stains are visible in many locations in the Parking Structures and are indications that there is already internal damage which may affect the strength of the concrete. Close monitoring of parking structure conditions and provision for future maintenance and repair is necessary to ensure the safe operation of the Parking Structures.

In 2012, the City commissioned Walker Restoration Consultants to conduct a Condition Appraisal of the Parking Structures to assess the general condition of the facilities, and a Structural Analysis Report for the North Pier Structure. The assessment found that the North side of the Pier Structure is in poor condition and has reached the end of its useful life; the South side of the Pier Structure is in fair condition but requires a substantial repair program to increase the useful life; and the Plaza Structure is generally in good condition and requires a normal repair and maintenance program to extend the remaining life of the structure. The analysis recommended that if the City desired an additional 15 years of useful life for the pier structure, it should implement a robust annual maintenance program for each of the structures to keep them operational. Given the ongoing waterfront project considerations, only limited repairs have been made over the past three years. The repairs that have been made since 2012 include structural concrete repairs to portions of the Pier Parking Structure, repairs to the fire main that service the facility, and improvements to the drainage system.

In light of the significant cost associated with the parking garage and the need to update the Walker analysis to reflect current conditions, on August 18, 2015 the City executed a contract with Walker Restoration Consultants to refresh the data in its 2012 report and provide the City with a planning level cost estimate to replace the Pier Parking Structure.

The updated analysis (attached to this Administrative Report) indicates that, overall, the parking structures have continued to deteriorate compared to the findings reported in the 2012 Walker report. An average increase of about 10 percent in the amount of deterioration repair has been observed. In addition to this, the costs of performing the repairs have increased about 15 percent since 2012 due to inflation and other construction factors.

The updated assessment shows the costs associated with three different scenarios – a limited three (3) year repair and maintenance program which is estimated at $508K, a moderate 10-15 year repair and maintenance program which is estimated at $18.3M, and a full replacement of the Pier Parking Structure which is estimated to cost $49.6M. These costs are fully loaded and consistent with the range set forth in the July 21, 2015 infrastructure report to the City Council.

The cost associated with the replacement of the Pier Parking Structure is beyond the funding capacity of the Harbor Enterprise and will require a more aggressive public financing strategy that may include some risk to the City's General Fund or the issuance of public debt funded by taxpayers. However, if the City elects to move forward with the proposed Waterfront project in its entirety, then the costs associated with the replacement structure can be incorporated into the larger infrastructure program that is funded by the developer.

The timing associated with constructing a replacement parking structure is constrained by two long term leaseholds within the structure that have 10-12 years left on their lease. Until the City or a development partner can secure site control of these leaseholds, the City will need to work with Walker Parking to identify short to mid-term strategy for the repair and maintenance of the structures with initial funding as part of the FY 2016-2017 Budget.

COORDINATION

The Waterfront & Economic Development Department coordinated the parking structure analysis with the Public Works Department.

FISCAL IMPACT

The maintenance, repair and/or replacement of the parking structures represents the single largest infrastructure expense to the waterfront. The updated Walker analysis indicates that this expenses can range from $508K for a short term maintenance program to $49.6M for a full replacement of the Pier Parking Structure. Given the state of despair of these facilities, and the timing associated with the construction of a replacement parking structure, the City will need to prepare a short to mid-term strategy for the repair and maintenance of the structures beginning with the FY 2016-2017 Budget.

Submitted by:
Stephen Proud, Waterfront and Economic Development Director

Approved for forwarding by:
Joe Hoefgen, City Manager

Attachment(s):

- 2015 Condition Assessment Update – City of Redondo Beach Parking Structures
- 2012 Executive Summary Conditional Assessment & CIPP – City of Redondo Beach Harbor Parking Structures

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City Council Meeting

January 19, 2016

Item N.3

CITY OF REDONDO BEACH ☼ SIX-MONTH STRATEGIC OBJECTIVES

October 14, 2015 – March 15, 2016

ACM=Assistant City Mgr **CD**=Community Development **PW**=Public Works **WED**=Waterfront and Economic Development **CS**=Community Services

THREE-YEAR GOAL: ***VITALIZE THE WATERFRONT, ARTESIA CORRIDOR, RIVIERA VILLAGE AND NORTH REDONDO INDUSTRIAL COMPLEX***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By March 15, 2016	ACM and WED Director	Conduct Public Outreach meetings (Feb – March 2016) regarding alternative locations for installation of a new boat ramp including a meeting with Harbor Commission and present the results to the City Council.				
2. At the March 1, 2016 City Council meeting	WED and PW Director, working with regional agencies	Report on the status of the analysis of sea level rise and its potential impact on the Redondo Beach waterfront.				
3. At the February 16, 2016 City Council Meeting	PW Director	Present to the City Council for review the cost of fully implementing the Riviera Village sidewalk landscaping improvement plan along Catalina Avenue from Palos Verdes Boulevard to Avenue I.				
4. At the March 1, 2016 City Council Meeting	CD Director working with WED Director	Present to the City Council for consideration options for further modification of parking requirements Citywide to help encourage economic development.				
5. At the November 17, 2015 Council Meeting	City Manager	Agendize a report on the appointment of a Mayor/City Council Subcommittee to work with staff on issues that may arise during the time that AES is marketing the AES site for non-industrial uses.				
5.a. FUTURE OBJECTIVE between April 4, 2016 and June 15, 2016	City Manager with the CD Director and City Attorney	City and AES representatives to meet and confer as necessary and discuss implementation of the AES Task Force, its purpose, organization, and membership, and other details relevant to the formation of the AES Task Force prior to a City Council Report on July 5, 2016 for appointment of the Task Force				
5.b. FUTURE OBJECTIVE	City Manager with City Attorney and CD Director	City Council to select consulting services firms needed to support the Task Force following the RFP Process.				

5.c. FUTURE OBJECTIVE	Task Force, working with Consultants	Task Force/Consultants present findings and recommendations to the City Council.				
6. FUTURE OBJECTIVE	WED working with CD Director	Explore the feasibility and recommend to the City Council whether or not to create a Storefront Improvement Program in key business areas.				

THREE-YEAR GOAL: ***IMPROVE PUBLIC INFRASTRUCTURE AND FACILITIES IN AN ENVIRONMENTALLY RESPONSIBLE MANNER***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By the January 19, 2016 City Council meeting	WED Director working with PW Director	Present to the City Council for review the fiscal impact for financing the construction of a replacement pier parking structure and other Harbor Area public infrastructure.				
2. By the March 15, 2016 City Council meeting	PW Director	Present to the City Council a report on the status of the Tri-City Aviation Boulevard Bikeability Plan Grant.				
3. At the March 1, 2016 City Council meeting	ACM working with PW Director, Finance Director, Police Chief and Fire Chief	Report on the status of the Major Facilities Repair Fund and the City's long-term major facilities needs list.				
4. At the February 2, 2016 City Council meeting	PW Director	Present to the City Council for consideration a Conceptual Plan for improvement of Anderson Park restrooms and the demolition of the Park's vacant Annex Building.				
5. By March 15, 2016	CS Director working with PW, Finance and CD Directors	Review and report to the City Council the City's park and open space inventory and funding sources for acquisition and rehabilitation of parks and open space.				

THREE-YEAR GOAL: ***INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. By March 15, 2016	City Attorney, working with the CD Director	Present to the City Council for direction options for the restructuring of the Redondo Beach Sister City Committee as a separate non-profit 501(c)(3) and/or an official city committee or commission.				
2. By March 15, 2016	IT Director working with City Manager, City Attorney and other Department Heads	Report the results to the City Council of a social media pilot project that explores additional methods of public outreach (social media e.g., Facebook, Twitter) through launch of the City's new webpage.				
3. At the January 5, 2016 City Council meeting	PW Director	Review the Administrative Policy and Procedure (APP) regarding purchase and replacement of zero emission vehicles and present the results to the City Council.				
4. By March 15, 2016	PW Director working with IT Director	Explore and recommend to the City Council for consideration the potential use of technology to better regulate pedestrian and bicycle traffic crossing where the beach bike path meets the south end of the pier for improved safety and traffic flow.				
5. Prior to March 1, 2016	City Manager, HR Director and all City Departments	Implement a Customer Service Training Program for applicable City employees on a city-wide basis.				

THREE-YEAR GOAL: ***BUILD AN ECONOMICALLY VITAL AND FINANCIALLY SUSTAINABLE CITY***						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. By the January 19, 2016 City Council meeting	WED Director	Research and report to the City Council on the new State tax increment financing law to fund public infrastructure and other projects.				
2. By the February 1, 2016 City Council meeting	CD Director working with Finance Director	Present a report to the City Council on current regulation of short-term rental activity and obtain direction, if any, from the City Council.				
3. At the March 15 2016 City Council meeting	Finance Director working with HR Director and all involved Departments	As part of the Mid-Year Budget Review, recommend to the City Council for consideration a budget modification to be able to hire or contract with a Grant Specialist to identify and apply for grants and coordinate with departments to facilitate implementation.				

THREE-YEAR GOAL: ***MAINTAIN A HIGH LEVEL OF PUBLIC SAFETY WITH PUBLIC ENGAGEMENT***						
WHEN	**WHO**	**WHAT**	**STATUS**			**COMMENTS**
			DONE	ON TARGET	REVISED	
1. By February 16,2016	PW Director and Police Chief	Develop plans and specifications for security fencing around the police station.				
2. By March 15, 2016	Police Chief, working with the PW Director and CS Director	Research and present to the City Council for direction options for construction of a canine training facility on an existing unused city parcel.				
3. By January 1, 2016	HR Director working with Police and Fire Chiefs	Create hiring and promotional lists to fill all vacancies as they arise within the Fire and Police Departments.				
4. At the March 15, 2016 City Council meeting	City Manager working with Fire Chief, ACM and Finance Director	As part of the Mid-Year Budget Review, explore and make a recommendation to the City Council for consideration the possible restoration of two Fire Prevention Inspectors and one Fire Training Officer in the Fire Department.				
5. By March 15, 2016	Police Chief	Increase Neighborhood Watch participation by 30%, and improve assistance from homeowners associations.				

THREE-YEAR GOAL: ***REVIEW AND IDENTIFY A PROCESS FOR UPDATING THE CITY'S GENERAL PLAN***

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the February 16, 2016 City Council meeting	CD Director working with ACM and City Manager	Present to the City Council and community a General Plan 101 workshop(s) overview on the General Plan's current status and content including potential amendments to the mixed use zoning section of the municipal code.				
2. At the March 1, 2016 City Council meeting	CD Director working with ACM and City Manager	Present to the City Council a budget process and timeline for either a comprehensive or "living" (incremental) update of the General Plan.				
3. Consider in context of FY 2015-2016 Mid-Year Budget Review	CD Director working with Finance Director, ACM and City Manager	Present to the City Council for action a budget appropriation to conduct a community assessment and engagement process for updating the General Plan.				

Administrative Report

Commission Action Date: February 8, 2016

To: **MEMBERS OF THE HARBOR COMMISSION**

From: **STEPHEN PROUD**
WATERFRONT & ECONOMIC DEVELOPMENT DIRECTOR

Subject: **DIRECTOR'S REPORT**

RECOMMENDATION

Receive and file a report from the Waterfront & Economic Development Director on current and upcoming waterfront projects and activities.

EXECUTIVE SUMMARY

An oral report will be provided by the Waterfront & Economic Development Director at the Commission meeting on current and upcoming waterfront projects and activities, including but not limited to property management, leasing activity, project updates, events and other information.

COORDINATION

Department staff collaborated on the development of this report.

FISCAL IMPACT

The cost for preparing this report is included within the Waterfront & Economic Development Department's adopted FY2015-16 annual budget and is part of the department's annual work program.

Submitted by:

Stephen Proud
Waterfront and Economic Development Director