

1
9.17.24

RECOMMENDATION APPROVED;
RESOLUTION 24-10428 (PERMIT 899) ADOPTED
BY THE BOARD OF HARBOR COMMISSIONERS



Executive Director's
Report to the

Board of Harbor Commissioners

September 17, 2024
AM KLESGES
AMBER M. KLESGES
Board Secretary

DATE: SEPTEMBER 3, 2024
FROM: WATERFRONT & COMMERCIAL REAL ESTATE
SUBJECT: RESOLUTION NO. 24-10428 - APPROVE FIFTH AMENDMENT
TO PERMIT NO. 899 WITH PACIFIC BATTLESHIP CENTER

SUMMARY:

Staff requests approval of the proposed Fifth Amendment to Permit No. 899 (P899) with Pacific Battleship Center (Pacific Battleship), a museum and educational facility commonly referred to as the USS Iowa (Iowa). Under P899, Pacific Battleship has a forty-five (45) year term with a permit expiration date of May 24, 2057.

The proposed Fifth Amendment to P899 extends the premises by 17,630 square feet and amends the permitted use to allow for the construction and operation of the Freedom of the Seas Park and Pavilion, a multi-purpose visitor, community and education center. Pacific Battleship has received an appropriation in the amount of \$6.7 million through the State of California Department of Natural Resources towards the construction of the Freedom of the Seas Park and Pavilion. Pacific Battleship will be financially responsible for any excess costs related to the construction of the Freedom of the Seas Park and Pavilion.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated and is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(i) and Article III Class 4(8) of the Los Angeles City CEQA Guidelines;
2. Approve the Fifth Amendment to Permit No. 899 with Pacific Battleship Center;
3. Direct the Board Secretary to transmit the Fifth Amendment to Permit No. 899 to the City Council for approval pursuant to Section 606 of the City Charter;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the Fifth Amendment for Permit No. 899 upon approval by the City Council; and
5. Adopt Resolution No. 24-10428.

DISCUSSION:

Background - P899 between the City of Los Angeles Harbor Department (Harbor Department) and Pacific Battleship grants use of approximately 4.43 acres of property at Berths 88-89 for the berthing, maintenance, and operation of the Iowa as a museum and

SUBJECT: FIFTH AMENDMENT PACIFIC BATTLESHIP CENTER

educational facility; venue for maritime and military-related events; special events that promote the LA Waterfront; sleepover programs; filming; special events with prior Harbor Department approval; and storage of associated equipment, material, and supplies.

Pacific Battleship has received an appropriation from the General Fund for a \$6.7 million grant through the State of California Department of Natural Resources towards the construction of the Freedom of the Seas Park and Pavilion. Freedom of the Seas Park and Pavilion is designed to fulfill the community demand for a veterans-orientated park and community space on the San Pedro Waterfront. The proposed 2/3-acre project includes a 35,000 square foot public access veterans-orientated park and a 5,000 square foot multi-purpose community and education center. Freedom of the Seas Park and Pavilion would be located at Berth 88-89 and would allow the public to access the waterfront and the lowa through a park setting. Additionally, Freedom of the Seas Park and Pavilion has the potential to align with the Harbor Department's vision for redevelopment of the Harbor Boulevard corridor to a more public facing and pedestrian friendly area, developed with community-based planning, that offers employment or volunteer opportunities (veteran engagement) and funding partners, addresses a critical lack of park space, and serves an area of significant poverty.

Proposed Fifth Amendment:

The proposed Fifth Amendment (Transmittal 1) will add approximately 17,630 square feet to the premises and will amend the permitted uses to allow for the construction of the Freedom of the Seas Park and Pavilion. The Fifth Amendment will include:

Summary of Significant Terms:

Provision	Description
Premises	<ul style="list-style-type: none">• Adds approximately 17,630 square feet to the Premises as delineated and described on Exhibit A-2.• Deletes Subsections 3.1.1, Future Premises, and 3.1.2, Conditions for Future Premises, and replaces them with Subsection 3.1.1, New Facilities, to allow for the construction of the Freedom of the Seas Park and Pavilion at the Tenant's sole cost and expense and provides that such improvements shall be owned by the Tenant. It further specifies that the Freedom of the Seas Park and Pavilion shall consist of a multi-purpose visitor, community and education center, which will include educational exhibits, a Veterans Memorial, maritime displays, public art, and a children's play area.

SUBJECT: FIFTH AMENDMENT PACIFIC BATTLESHIP CENTER

Permitted Uses	<ul style="list-style-type: none"> Amends the Permitted Uses to include construction and operation of the Freedom of the Seas Park and Pavilion.
-----------------------	---

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the proposed Fifth Amendment to P899, which is an activity for which the underlying project has been previously assessed in the USS Iowa Project Environmental Impact Report (SCH# 2011081097), which was certified by the Board on May 17, 2012, and an amendment of any lease which allows for a minor increase in acreage. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated and is categorically exempt from the requirements of CEQA in accordance with Article II Section 2(i) and Article III Class 4(8) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed Amendment will extend the premises by 17,630 square feet and amend the permitted use to allow for the construction of the Freedom of the Seas Park and Pavilion. Compensation provisions under P899 will remain unchanged. Pacific Battleship currently pays the greater of four percent of gross receipts or minimum rent of \$10,109.95 per month, subject to increases based upon the annual change in the Consumer Price Index.

Construction of the Freedom of the Seas Park and Pavilion will be the financial responsibility of Pacific Battleship.

CITY ATTORNEY:

The Office of the City Attorney prepared the Fifth Amendment and has approved it as to form and legality.

TRANSMITTALS:

1. Fifth Amendment
2. Site Map

FIS Approval: JS
CA Approval: SO

Michael J. Galvin
MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

Michael DiBernardo
MICHAEL DIBERNARDO
Deputy Executive Director

APPROVED:
Erica M. Calhoun for
EUGENE D. SEROKA
Executive Director