

CITY OF LOS ANGELES
CALIFORNIA

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Council File: 14-1330
Council District No.: 15
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Innovation, Grants, Technology,
Commerce and Trade Committee
Los Angeles City Council
c/o Michael Espinoza
City Clerk
Room 395 City Hall

**COMMITTEE TRANSMITTAL: REPORT BACK ON THE STATUS OF THE LOS ANGELES
WATERFRONT MARKET FEASIBILITY STUDY**

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD), or designee, respectfully requests that the City Council NOTE and FILE this report since it is provided for information purposes only and no Council action is necessary.

FISCAL IMPACT STATEMENT

This report provides information relating to the Los Angeles Waterfront Market Feasibility Study. There is no impact to the General Fund.

SUMMARY

On January 28, 2015, the Los Angeles City Council adopted Council File No. 14-1330 relative to the San Pedro Waterfront Redevelopment efforts. Recommendation Number 3 instructed the Economic and Workforce Development Department, in collaboration with the Harbor Department, the Chief Legislative Analyst and other departments as appropriate, to retain a consultant to conduct a Real Estate and Market Feasibility Study to evaluate opportunities and constraints of housing developments on Harbor Department, City of Los Angeles, and other public and privately owned property along the Waterfront and in downtown San Pedro including site specific studies and an evaluation of the feasibility of constructing housing on state tidelands and recommend options for further action.

On May 29, 2015, the Los Angeles City Council authorized the Economic and Workforce Development Department, in collaboration with the Harbor Department, to retain a consultant to conduct a Real Estate and Market Feasibility Study (C.F. 14-1330-S1). On October 20, 2015, the City Council approved the transfer of funding from the office of the City

Administrative Officer to the EWDD to fund the San Pedro Waterfront Real Estate and Market Feasibility Study (C.F. 14-1330-S2).

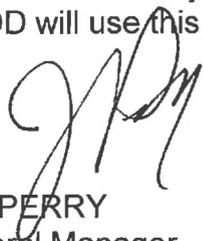
BACKGROUND

On March 26, 2015, the Los Angeles Economic Development Corporation (LAEDC) held a charrette focused on revitalization and development opportunities along the LA Waterfront. This charrette included participation from local real estate development, architecture, design, planning, legal, policy and government experts. The consensus from the day-long discussion was that there were genuine opportunities to stimulate catalytic residential and hospitality-related development on publicly-owned parcels controlled by the Harbor Department and the City of Los Angeles. The results of this discussion have led the City to expand this study to include the hospitality market along with the residential market for the LA Waterfront and Downtown San Pedro.

On May 11, 2015 EWDD prepared and released a Request for Bids (RFB) from the City Administrative Officer (CAO) pre-qualified list of consultants to conduct a real estate market analysis for property along the LA Waterfront and Downtown San Pedro. In response to the RFB EWDD received four (4) proposals. Panelists from the Harbor Department, CAO and EWDD met, reviewed, scored, and ranked the proposals and recommended Economic & Planning Systems, Inc. (EPS) to perform the work associated with the RFB.

The EPS report completed on December 15, 2016 includes a discussion of the 16 opportunity sites within the context of the greater LA Waterfront Initiative; an assessment of the market context influencing new development potential; an analysis of the feasibility of five representative prototypes uses under current and potential future market conditions; and a technical Appendix with supporting data for the feasibility study. Highlights from the report suggest the real estate market conditions in Downtown San Pedro and along the LA Waterfront are improving and have spurred new development in some land use categories. Feasibility analysis of proposed residential, hospitality, and office uses indicates that, with the exception of for-sale town homes, further market improvement and/or additional public subsidy is likely required before the opportunity sites can support substantial new development.

The information provided to the City from EPS will assist in managing development expectations of city-owned land near and around the LA Waterfront and Downtown San Pedro. EWDD will use this information to help inform future request for proposals to develop property.



JAN PERRY
General Manager

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Attachment: LA Waterfront Site Development Feasibility Analysis