



Northwest San Pedro Neighborhood Council

"Your Community Voice"

March 10, 2015

Mr. Gene Seroka
Executive Director
Los Angeles Harbor Department
425 S. Palos Verdes Street
San Pedro, CA 90733-0151

Ray Regalado
President

Laurie Jacobs
Vice President

Sarah Valdez
Treasurer

Cynthia Gonyea
Secretary

Dear Gene,

We were disappointed that your proposed 2015/2016 budget allocates only 2% of the Operating Income to the six waterfront improvement projects addressed in the Public Access Funding Plan adopted by your Board on February 19, 2015.

The Funding Plan promised to allocate a minimum of 10% of Operating Income to the six waterfront improvement projects listed in the Plan. It was our understanding that a key reason for adopting the Plan when you did was so that the Port could apply it to the 2015/2016 budget.

A 10% allocation would be \$19.9 Million, but the amount included in the Capital Improvement Program for the six projects is \$4 Million. That is 2% of Operating Income.

We understand that some design is required for the projects. However, we are concerned that if the proper allocation is not accounted for in the budget, as we were led to believe would happen, it will not be available when construction is ready to proceed. We also do not understand why planning and design require so much time; some of the projects have been "in design" for several years already.

Among other things, we are concerned about present and future funding for all the following reasons:

1. Nearly all of the \$199 Million Capital Improvement Program budget is for the next fiscal year portion of large "core business" projects. The total cost of those projects is more than \$500 Million, meaning that in each of the next several years, the Port will be funding those "work in progress" projects. There will be a strong motivation to delay waterfront improvements even further in order to provide funding for the other projects, especially since, for the most part, the waterfront projects will not be under construction.
2. Each year the Port compares proposed line item expenditures with prior year budgets. A \$30 or \$40 Million jump in waterfront improvement construction line items next year [to catch up with promised allocations] will cause as much as a 20% jump in the overall CIP and may meet resistance. Further, the Port is likely to say that next year, whatever is appropriated for the waterfront improvement projects is limited to the 10% figure for the year under consideration.

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3. The design amounts for the promenade and town square studies [\$.85 Million] and parking lot design [\$.23 Million] are so small that the engineer[s] assigned to those projects will be likely to put them on the back burner and attend to the core projects already under construction that have significantly more funding.

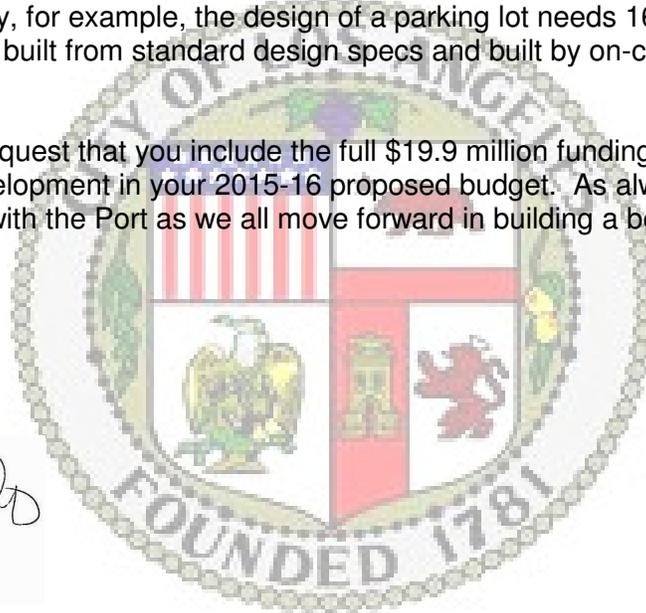
4. Lastly, we hope that seemingly continual design contracts are not a way to delay these projects because the Port simply does not want to do them. We have difficulty understanding why, for example, the design of a parking lot needs 16 months when it probably could be built from standard design specs and built by on-call construction forces.

We respectfully request that you include the full \$19.9 million funding allocation for infrastructure development in your 2015-16 proposed budget. As always, we will continue to work with the Port as we all move forward in building a better port and community.

Sincerely,



Ray Regalado
President
Northwest San Pedro Neighborhood Council



Letter approved by governing board at its meeting March 9, 2015