

RECOMMENDATION APPROVED
AND RESOLUTION NO. 09-6766 ADOPTED
BY THE BOARD OF HARBOR COMMISSIONERS

June 18, 2009

Rose M. Dwarshak
SECRETARY



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

6-18-09
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DATE: JUNE 12, 2009

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. 09-6766 - FINAL ENVIRONMENTAL IMPACT REPORT (EIR) FOR THE WILMINGTON WATERFRONT DEVELOPMENT PROJECT (LAHD ADP NO. 050927-164; SCH NO. 2008031065)

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) certify the Final Environmental Impact Report (EIR) for the Wilmington Waterfront Development Project in accordance with the California Environmental Quality Act (CEQA), and approve the proposed Project. The proposed Project would connect the community with the waterfront, create open space, and develop visitor-serving commercial and green technology business development opportunities in and around the Port. In approving the proposed Project, the Board will need to certify the EIR, make specific Findings regarding the significant environmental impacts of the proposed Project and mitigation measures to reduce or avoid such impacts, adopt a Statement of Overriding Considerations, adopt a Mitigation Monitoring and Reporting Program (MMRP) to track mitigation, and approve the proposed Project. If approved, the proposed Project would result in significant and unavoidable impacts in the areas of: Air Quality, Geological Resources, Noise, and Cumulative Impacts. Project benefits include providing community and regional access to the Wilmington Waterfront area of the Port, including continuity with the downtown Wilmington Business District connectivity to the Wilmington Buffer Project, and open space for access and enjoyment of the waterfront. The proposed Project also includes sustainable design, including constructing Leadership in Energy and Environmental Design (LEED) Certified buildings, use of solar power, using recycled water for the water features, landscaping maintenance, and flushing toilets in new buildings; planting drought-tolerant plants and shade trees; and improving pedestrian and bicycle connectivity. Other project benefits include creating 1,186 direct construction jobs, 1,660 indirect construction jobs, and \$140 million in construction expenditures over an 11-year period; and providing approximately 336 new jobs at maximum build out of the proposed Project. The proposed Project would lead to increased tax revenues for the Los Angeles Harbor Department (LAHD) and the City of Los Angeles by expanding the tax base of the area through the introduction of the Mercado, new restaurants, and new industrial development. At full buildout, the proposed Project could be expected to generate annual revenue of \$1.2 million from ground leases. Furthermore, the construction of new public open spaces would make the Wilmington community more attractive to visitors resulting in an overall indirect beneficial impact on local tax revenue.

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RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Certify, pursuant to CEQA Guidelines § 15090(a), that the Final EIR for the Wilmington Waterfront Development Project (Transmittal 1) (a) has been completed in compliance with the CEQA, with the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines, (b) was presented to the Board for review and the Board reviewed and considered the information contained in the Final EIR prior to approving the proposed Project, and (c) reflects the independent judgment and analysis of the Board, and that all required procedures have been completed;
2. Adopt and make the attached CEQA Findings pursuant to CEQA Guidelines § 15091, and Statement of Overriding Considerations pursuant to CEQA Guidelines § 15093 (Transmittal 2);
3. Find that, in accordance with the information contained in the Final EIR for the Wilmington Waterfront Development Project, the proposed Project will have unavoidable significant environmental effects on Air Quality, Geological Resources, Noise, and Cumulative Impacts, as defined by Public Resources Code sections 21068, 21080, 21082.2, and 21083, and the State CEQA Guidelines, Sections 15064, 15064.5, and 15382. The Final EIR found no significant effects for Aesthetics Resources, Biological Resources, Cultural Resources, Groundwater and Soils, Hazardous Materials, Land Use, Population and Housing, Public Services, Transportation, Utilities, and Water Quality;
4. Find that, in accordance with the provisions of the State CEQA Guidelines Section 15091(a)(1), changes or alterations have been required in, or incorporated into, the proposed Project, which substantially lessen or avoid the significant adverse environmental impacts identified in the Final EIR;
5. Find that, in accordance with the provisions of the State CEQA Guidelines Section 15091(a)(3), specific economic, legal, social, technological, or other considerations, make infeasible certain mitigation measures and project alternatives identified in the Final EIR. Impacts to Air Quality, Geological Resources, Noise, and Cumulative Impacts remain significant and unavoidable even after all feasible mitigation is adopted;
6. Find that all information added to the Final EIR after public notice of the Draft EIR availability for public review, but before certification, merely clarifies, amplifies, or makes insignificant modifications in an adequate EIR, and recirculation is not necessary;

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7. Find that, in accordance with Public Resources Code section 21081(b) and State CEQA Guidelines Section 15093, the benefits of the proposed Project outweigh the significant and unavoidable environmental impacts of the proposed Project, and adopt the Findings of Fact and Statement of Overriding Considerations (Transmittal 2);
8. Adopt the MMRP transmitted herewith (Transmittal 3) as required by Public Resources Code, Section 21081.6 and CEQA Guidelines Section 15097. The MMRP is designed to ensure compliance with the mitigation measures adopted to mitigate or avoid significant effects on the environment, and identifies the responsibilities of the LAHD as lead agency and other applicable entities, to monitor and verify proposed Project compliance with those mitigation measures and conditions of proposed Project approval;
9. Approve the proposed Project identified in the Final EIR, including all feasible mitigation measures set forth in the EIR with consideration of the Findings of Fact and Statement of Overriding Considerations, and the MMRP;
10. Direct the Engineering Division to proceed with final design and incorporate the mitigation measures, conditions, Environmental Compliance Plan requirements, mitigation monitoring/reporting plan, and Project environmental commitments into all Engineering Plans and Specifications and/or Engineering Permits for the proposed Project;
11. Authorize the Environmental Management Division to file the Notice of Determination (NOD) for the subject proposed Project with the Los Angeles City Clerk; and
12. Adopt the proposed Recommendations and this Resolution No. 09-6766.

DISCUSSION:

1. Proposed Action. In the proposed action staff is requesting that the Board of Harbor Commissioners consider certification of the Final EIR for the Wilmington Waterfront Development Project and approval of the proposed Project. As provided in detail in the Recommendations above, staff recommends that the Board:
 - a. Certify that the Final EIR for the Wilmington Waterfront Development Project (1) has been completed in compliance with the CEQA, (2) was presented to the Board for review and the Board considered the information contained in the Final EIR prior to approving the proposed Project, and (3) reflects the independent judgment and analysis of the LAHD;

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- b. Adopt the Findings of Fact, the Statement of Overriding Considerations, and the MMRP; and
- c. Approve the proposed Project.

The Final EIR consists of the Draft EIR and Final EIR, which includes all comments and recommendations, received on the Draft EIR and a list of persons, organizations, and public agencies commenting on the Draft EIR; identifies changes to the Draft EIR; and, responds to comments received during the public review. In certifying the Final EIR and approving the proposed Project, the Board will need to make certain Findings of Fact regarding environmental impacts, proposed mitigation, and choice among alternatives; adopt a Statement of Overriding Considerations for any CEQA impacts that cannot be mitigated to below the level of significance; and adopt an MMRP.

2. Project Background. The planning effort for the Wilmington Waterfront began in the 1980s for the area on both sides of Avalon Boulevard, beginning at the waterfront and up to C Street. In 1987, the "Wilmington/Port Area Planning Study" proposed commercial development at the waterfront at the top of Slip 5 and north along Avalon Boulevard into Wilmington's commercial district. This effort was followed in 1989 by the "Avalon Boulevard Waterfront Access Study", which proposed developments at the Slip 5 waterfront, including berthing for historic ships and a water taxi, and Port-focused visitor-serving facilities along Avalon Boulevard to serve as an anchor for future commercial development. The only component of this plan that was constructed was the Banning's Landing Community Center, which was completed in 1996.

In 2001, the "Foot of Avalon Refined Concept Plan" included improvements on property owned by the LAHD and immediately available. This area became part of the focus of the Port Community Advisory Committee (PCAC) Subcommittee in December 2002, when the Avalon Corridor, from C Street south to the waterfront, was identified as an area for community-serving development.

In 2003, the "Wilmington Waterfront Development Subcommittee—Final Plan" (SMWM 2004) was completed. This plan called for commercial development areas around the intersection of Harry Bridges and Avalon Boulevards, a promenade and other visitor-serving development at the waterfront, and an open space connection between the two. This plan was adopted in concept by the Board in October of 2004 and became the basis for the proposed Wilmington Waterfront Project, which is the subject of this EIR.

In 2006, the LAHD and planning consultant, SMWM, undertook a public outreach and collaborative community planning effort which resulted in development of the

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final plan for the Wilmington Waterfront Project in 2007. Four community workshops were held, with comments solicited relative to community access to the waterfront and commercial development. Over 1,000 people attended the final workshops. The design and function of the proposed Wilmington Waterfront Project are consistent with the vision of the Wilmington Waterfront Development Program and represent significant and lengthy collaboration between LAHD staff; a consultant team of planners, designers, engineers, economists, public outreach consultants, and other specialists, the PCAC Wilmington Waterfront Development Subcommittee and the Community of Wilmington.

3. Project Objectives. The primary objective for the proposed Project is to connect the Wilmington community with the waterfront. To accomplish this goal, the following supporting objectives need to be accomplished:

Objective No. 1: Construct a project that will serve as a regional draw and attract visitors to the waterfront in Wilmington.

Objective No. 2: Design and construct a waterfront park, promenade, and dock to enhance the connection of the Wilmington community with the waterfront while integrating design elements related to the Port's and Wilmington's past, present, and future.

Objective No. 3: Construct an independent project that integrates design elements consistent with other area community development plans to create a unified Los Angeles waterfront through the integration of publicly oriented improvements.

Objective No. 4: Enhance the livability and economic viability of the Los Angeles Harbor area, Wilmington community, and surrounding region by promoting sustainable economic development and technologies within the existing commercial Avalon Development District.

Objective No. 5: Integrate environmental measures into design, construction, and operation to create an environmentally responsible project.

4. Project Description. The proposed Project is located adjacent to the Wilmington community and composed of several elements and planning actions spread over approximately 94 acres. The proposed Project includes the creation of 11 acres of green open space, 8 acres of plazas, waterfront promenade, floating docks, water features, a pedestrian "water" bridge, a 200-foot observation tower, a Waterfront Red Car Museum, and commercial and industrial development. Jurisdictional

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boundary adjustments are required for the Port Element of the City's General Plan, Wilmington Harbor-City Community Plan, and Port Master Plan (PMP). The re-designation of land uses and rezoning within the proposed Project area would also occur under the proposed Project. The proposed Project would be implemented in two phases: Phase I: the Interim Phase (2009-2015); and Phase II Full Buildout: (2015-2020).

Development under the proposed Project would occur in the following three areas:

- Avalon Development District (areas A and B),
 - Avalon Waterfront District, and
 - Waterfront Red Car Line/Multi-Modal California Coastal Trail.
- a. Avalon Development District: The Avalon Development District is an industrial area located in south Wilmington. The Avalon Boulevard commercial corridor, which bisects the Avalon Development District, is the primary commercial corridor in Wilmington, with the "center of town" located around the intersection of Avalon Boulevard and Anaheim Street about ½ mile from Harry Bridges Boulevard. Avalon Boulevard currently terminates in the proposed Project area at the water's edge. The Avalon Development District includes approximately 31.5 acres and has been divided into two areas, A and B, defined by the proposed boundary change of the Port and Wilmington Harbor-City Community Plan areas. The elements or actions associated with the Avalon Development District primarily include the following:

Area A (within the Wilmington Harbor-City Community Plan area)

- *Green Technology Light Industrial Development:* This area includes a programmatic assessment of infrastructure improvements (including stormwater improvements, dry utility lines, potable waterlines, and wastewater lines) is included to support up to 150,000 square feet of light industrial development, consistent with current zoning, generally located between Broad Avenue (east) and Lagoon Avenue (west), C Street (north) and Harry Bridges Boulevard (south). Businesses related to green technology development will be encouraged. No specific development proposals for this area have been received.
- *Park Development:* This area includes a 1-acre passive park located on the vacant Railroad Green located between Island Avenue and Fries Avenue.

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- *Waterfront Red Car Museum:* This area includes adaptive reuse of the historic 14,500-square-foot Bekins Storage property located at 245 Fries Avenue/312–326 West C Street for a Waterfront Red Car Museum.
- *Pedestrian Enhancements:* This area includes sidewalk and streetscape pedestrian-oriented enhancements along the following avenues, streets, and boulevards: Lagoon, Fries, Marine, Harry Bridges, Avalon, and C.

Area B (within the proposed Port Plan and Port Master Plan areas)

- *Commercial Development:* This area includes development of up to 58,000 square feet of maritime visitor-serving commercial uses, such as an open air Mercado.
 - *Street Realignments and Enhancements:* This area includes realignment and improvement Avalon Boulevard and Broad Avenue (also part of the Avalon Waterfront District).
- b. Avalon Waterfront District: The Avalon Waterfront District is composed of the following elements:
- *Waterfront Promenade:* This area includes a waterfront promenade with viewing piers; 12,000 square feet of restaurant/retail development, 7-acre plaza, and a 200-foot Observation Tower with a pedestrian ramp.
 - *Land Bridge and Elevated Park:* This area includes a 10-acre Land Bridge with an elevated park and a pedestrian “water” bridge enhanced by an integrated water feature that will provide the surrounding community with open space and improved pedestrian access to the waterfront. The Los Angeles Department of Water and Power (LADWP) Marine Tank site will need to be demolished and remediated.
 - *Avalon Triangle Park:* This area is located south of Harry Bridges Boulevard, between Broad Avenue and Avalon Boulevard. Avalon Triangle Park is not part of the proposed Project, but it would be included within the area that would be encompassed by the proposed Port Plan and PMP boundary expansion.
 - *Avalon Boulevard, Broad Avenue, and Water Street Realignment:* This area includes downgrading and vacating Avalon Boulevard south of A Street, realign Broad Avenue to the waterfront, and realign Water Street to run adjacent to the Pacific Harbor Rail Line, which is proposed to travel

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under the proposed Land Bridge to improve pedestrian circulation and provide space for the waterfront promenade.

- c. Linkages: Red Car Line & California Coastal Trail: The proposed Project would extend the historic Waterfront Red Car Line and multi-use pedestrian/bicycle California Coastal Trail (CCT) from San Pedro to connect to the Wilmington community. The extension of the Waterfront Red Car Line/CCT would begin at the intersection of Swinford Street and Harbor Boulevard, proceed along Front Street, onto John S. Gibson Boulevard, and then along Harry Bridges Boulevard to Avalon Boulevard.
5. Board CEQA Responsibilities. The LAHD is the CEQA Lead Agency for the proposed Project. As such, the Board is responsible for reviewing and considering the Final EIR. At its discretion, the Board shall certify that the Final EIR (1) has been completed in accordance with CEQA, the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines, (2) was presented to the Board for review and the Board considered the information contained in the Final EIR prior to approving the proposed Project, and (3) reflects the independent judgment and analysis of the LAHD. Certification of the Final EIR for the Wilmington Waterfront Development Project must precede project approval. Project approval requires that the Board review and consider the Final EIR; adopt Findings of Fact on the significant environmental effects of the proposed Project and the feasibility of mitigation measures and project alternatives; adopt a Statement of Overriding Considerations; approve a specific project analyzed in the Final EIR; and adopt an MMRP.
6. Scope and Content of Environmental Document. The Draft EIR, dated December 2008, incorporates, as appropriate, information received on the Notice of Preparation (NOP) for the proposed Project, assesses environmental impacts of the proposed Project, and examines proposed Project alternatives and mitigation measures. The Final EIR clarifies and amplifies the Draft EIR, incorporates insignificant modifications and corrections, contains a list of persons, organizations, and public agencies commenting on the Draft EIR, contains public comments and responses to all public comments made on the Draft EIR, and contains records of the public process including coordination with the PCAC.
7. Intended Uses of the Final EIR. The Final EIR informs public agency decision-makers and the general public of the significant environmental effects of the proposed Project, recommends mitigation measures to minimize the significant effects, and describes reasonable alternatives to the proposed Project. This document assesses the potential direct and indirect impacts, including unavoidable adverse impacts, growth inducing impacts, and cumulative impacts, related to the proposed Project. This Final EIR is also intended to support future discretionary

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actions of the Board with regard to the proposed Project and the permitting/approval process of all agencies whose discretionary approvals must be obtained for particular elements of this project. For the LAHD, these actions include, but are not limited to, issuing of coastal permits, engineering permits, approval of construction contracts, and approval of property use/lease agreements.

8. Environmental Documentation Process and Public Involvement. The proposed Project was subject to the required environmental documentation process that included public disclosure as required by regulation. In this case, however, public notification exceeded statutory requirements. The procedural steps of the process are described below:

a. Notice of Preparation: In accordance with the Los Angeles City CEQA Guidelines, Article VI, Section 1.5 and the State CEQA Guidelines, Section 15082 the responsible agencies, participating city agencies, and other concerned parties were consulted through a NOP that was released on March 14, 2008 to over 600 agencies, organizations, and individuals. An Executive Summary of the NOP and project description was translated into Spanish and included in the distribution. A public scoping meeting was held on March 25, 2008 at the Banning's Landing Community Center in Wilmington. A Spanish/English interpreter was present at the public meeting. Copies of the NOP were available for review online at www.portoflosangeles.org, at the LAHD's Environmental Management Division office, and at the following libraries: the Main Branch, San Pedro Branch, and Wilmington Branch of the Los Angeles Public Library, and the Main Branch of the Long Beach Public Library. Over 70,000 postcards were distributed notifying the public of the scoping meeting date and term of the comment period. Notice of the comment period and meeting was posted in five local newspapers and 2,000 flyers were also distributed throughout the community.

As part of the public review, staff met with a number of stakeholders, including the PCAC Wilmington Waterfront Development Subcommittee and the Wilmington Neighborhood Council to discuss the NOP and Draft EIR and solicit feedback. Meetings were held with the PCAC subcommittee on: January 8, 2008, February 12, 2008, April 8, 2008, July 7, 2008, August 12, 2008, and October 14, 2008. A discussion with the Wilmington Neighborhood Council occurred on January 28, 2009. A summary of coordination with the PCAC is provided in the Executive Summary of the Draft EIR.

b. Draft Environmental Impact Report: The Draft EIR was released on December 4, 2008 for a 57-day review period. Approximately 850 copies of the Draft EIR were sent to various government agencies, all PCAC members, organizations, LAHD tenants, adjacent property owners, and all known

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interested parties. Public notices of completion stating that the Draft EIR was available for review were published in five newspapers: Los Angeles Times, Daily Breeze, Long Beach Press Telegram, Los Angeles Sentinel, and La Opinión. Over 70,000 postcards in English and Spanish noticing the document and the public meeting were sent to all San Pedro and Wilmington addresses. Electronic notices of the comment period and public meeting were also sent to all known e-mail addresses on the project mailing list.

Copies of the Draft EIR were available for review at the LAHD's Environmental Management Division office, and at the following libraries: the Main Branch, San Pedro Branch, and Wilmington Branch of the Los Angeles Public Library, and the Main Branch of the Long Beach Public Library. The document was also available online at the Port of Los Angeles web site (<http://www.portoflosangeles.org>). Meeting notifications and the Executive Summary of the Draft EIR were also translated to Spanish and provided in mailings and at the public meeting.

A public meeting to take oral comments on the Draft EIR was held on January 15, 2009, at the Banning's Landing Community Center in Wilmington, California. The LAHD also provided a Spanish/English interpreter at the public meeting. There were ten verbal comments received during the Draft EIR public meeting. The public meeting transcript was posted on the Port's website and is included in the Final EIR.

Twenty-five letters were received from agencies, organizations, and individuals. Comment letters were also posted on the LAHD's website.

- c. Responses to Comments: As required by Public Resources Code 21092.5, all agencies, organizations, and individuals who commented on environmental issues in the Draft EIR were provided with responses to comments at least 10 days prior to the Final EIR being submitted to the Board for certification. The responses to comments were mailed by June 5, 2009 to all those who submitted comments.
 - d. Final Environmental Impact Report: In accordance with the Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines, Section 15088, comments received on the Draft EIR were evaluated and responded to in the Final EIR. The comment letters and responses to comments are presented in the Final EIR. The Final EIR was completed in June 2009.
9. Findings and Conclusions. The Final EIR and Findings of Fact and Statement of Overriding Considerations, transmitted herewith, identify major findings and conclusions, including a discussion of areas of environmental concern,

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alternatives, feasible mitigation measures, and unavoidable impacts. The discussion below summarizes the proposed findings included in Transmittal 2 for the Board's consideration.

- a. Areas of Environmental Concern: Through the public environmental process a number of areas of environmental concern were identified. These potential impacts and others were assessed in the EIR. The impacts associated with the proposed Project are discussed in detail, by resource area, in the EIR. Significant environmental impacts prior to the imposition of mitigation were identified in the areas of Air Quality, Biological Resources, Cultural Resources, Geological Resources, Ground Transportation and Circulation, Groundwater and Soils, Noise, Utilities, and Cumulative Impacts. After environmental analysis and, in some cases, application of mitigation, impacts in the areas of Air Quality, Geological Resources, Noise, and Cumulative Impacts would remain significant and unavoidable if the proposed Project is approved. The EIR also included evaluations of Environmental Justice and Socioeconomics and found, based on the demography of the surrounding communities and the region, that the proposed Project would have disproportionately high impacts in the areas of Air Quality, Noise, and Ground Transportation.
- b. Choice Among Alternatives: Eight alternatives were considered for the proposed Project. Five of these alternatives were eliminated from further considerations as discussed in Final EIR Section 5.5. These alternatives included (1) Avalon Pier and Harbor Steps Projects, (2) Connected Bands, (3) No In-Water Development, (4) No Street Vacation of Avalon Boulevard or Realignment of Broad Avenue, and (5) Other Sites within LAHD Jurisdiction. Three remaining alternatives to the proposed Project that were considered in detail include:
 - 1) Reduced Development: No Avalon Development District (Alternative 1). As compared to the proposed Project, Alternative 1 would reduce the development footprint by not improving the Avalon Development District (Areas A and B). Instead, this alternative would only develop the Avalon Waterfront District and provide program-level planning for the Waterfront Red Car Line. Alternative 1 would not include streetscape and pedestrian enhancements in Avalon Development District A. Nor would it develop the infrastructure to support approximately 150,000 square feet of development for light industrial uses (for green technology businesses) or the 58,000 square feet of retail/commercial uses (such as a Mercado). In addition, Alternative 1 would not include implementation of the Waterfront Red Car Museum, rehabilitation of the 14,500-square-foot Bekins Property, or development and landscaping of the 1-acre

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Railroad Green. The Avalon Development District would remain underdeveloped in its existing condition. Alternative 1 would develop the Avalon Waterfront District in the same manner as the proposed Project. Extension of the Waterfront Red Car Line and California Coastal Trail would also occur. The proposed Project and Alternative 1 have unavoidable significant impacts in the areas of Air Quality, Geology, and Noise. Alternative 1 would also have a significant and unavoidable impact on cultural resources as the Bekins Building would not be rehabilitated under Alternative 1.

The attached Draft Findings state that this alternative would be infeasible because it would not meet Project Objective No. 4 (Transmittal 2), which aims to enhance the livability and the economic viability of the Los Angeles Harbor area, Wilmington community, and surrounding region by promoting sustainable economic development and technologies within the existing commercial Avalon Development District. Because Alternative 1 would not develop the Avalon Development District, sustainable economic development and technologies would not be promoted in this area.

- 2) Reduced Construction and Demolition: LADWP Marine Tank Farm to Remain (Alternative 2). Alternative 2 is an alternative development scenario that would reduce the amount of construction and demolition activities by leaving the LADWP Marine Tank Farm in place and reducing the size of the land bridge by only building the Phase 1 portion. Alternative 2 would also develop the Avalon Development District (Areas A and B). The proposed Project and Alternative 2 have unavoidable significant impacts in the areas of Air Quality, Geology, and Noise. Alternative 2 would also have a significant and unavoidable impact on Groundwater and Soils, which would be mitigated under the proposed Project.

This alternative is considered infeasible because it would not meet Project Objective No. 2 (Transmittal 2), which aims to design and construct a waterfront park and promenade to enhance the connection of the Wilmington community with the waterfront. While the pedestrian "water" bridge would still be constructed, allowing safe pedestrian access to the waterfront from the intersection of Avalon and Harry Bridges Boulevards, the LADWP Marine Tank Farm storage tanks would remain in place and would continue to disrupt views and access to the waterfront. The result would be a continuation of a physical and visual disconnect between the Wilmington community and the waterfront.

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- 3) No Project Alternative (Alternative 3). This alternative is required for consideration under CEQA. The No Project Alternative analyzed in this document does not include construction or operation of the proposed Project. As discussed in Chapter 5 of the Draft EIR, the No Project Alternative was determined to be the environmentally superior alternative under CEQA Guidelines Section 15126.6(e)(2). The proposed Project and both Alternative 1 and Alternative 2 have unavoidable significant impacts in the areas of Air Quality, Geology, and Noise. The No Project Alternative, which would continue the current conditions on site indefinitely, would have significant impacts on Geology, Cultural Resources, and Groundwater and Soils. No construction-related impacts would occur under the No Project Alternative as no construction would occur under this alternative. However, this alternative would not allow any discretionary approvals on the proposed Project site. This alternative would be infeasible because the site would remain in its existing condition, and no proposed Project objectives would be met (Transmittal 2).

Environmentally Superior Alternative. Based on the above analysis, the No Project Alternative is the environmentally superior alternative because it would create fewer adverse impacts, including those which would be significant and unavoidable. CEQA Guidelines Section 15126.6(e)(2) requires that in cases where the No Project Alternative is determined to be the environmentally superior alternative, another must also be identified as Environmentally Superior. Consequently, both Alternative 1 and Alternative 3 would be the environmentally superior alternatives. However, as discussed above, Alternative 1 and Alternative 3 do not meet all the project objectives.

For the reasons discussed above and in the attached Findings of Fact, staff recommends that the Board (1) find that the No Project Alternative does not meet project objectives or significantly reduce environmental impacts, (2) the Reduced Project Alternatives (Reduced Development/Reduced Construction) do not meet all project objectives or result in reductions of environmental effects, and (3) approve the proposed Project as described in Final EIR. The proposed Project best meets all project objectives.

- c. Proposed Mitigation Measures: In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines Section 15091, and the information contained in the EIR for the Wilmington Waterfront Development Project, changes or alterations have been required in, or incorporated into, the proposed Project which avoid or substantially lessen the significant adverse environmental impacts identified in the EIR. Where determined feasible, certain mitigation measures identified in the Draft EIR

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were modified/strengthened in the Final EIR (see below and Transmittal 4). Incorporation of additional or more stringent mitigation measures would be infeasible as a result of specific economic, legal, social, technological or other considerations set forth in the Findings of Fact (Transmittal 2).

- 1) Air Quality Measures: Mitigation measures include use of clean construction equipment, fugitive dust requirements, harbor craft engine standards, fleet modernization for construction trucks, truck staging areas, and best management practices.
- 2) Greenhouse Gas Measures: Mitigation measures to reduce greenhouse gas emissions include LEED buildings, energy audits, solar panels, tree plantings, increased recycling, compact fluorescent bulbs, land Use measures such as promoting public transportation and increasing parks, and solid waste reduction in addition to air quality construction measures that reduce diesel combustion.
- 3) Biology Measures: Mitigation measures include use of mitigation credits to offset habitat loss due to modification of the shoreline, implementation of slow-start pile driving, and pile driving monitoring to avoid potential effects on marine mammals that could be in the area.
- 4) Cultural Resources: Mitigation measures include restrictions on excavations if cultural artifacts are found, incorporating the Pacific Electric Railway tracks into the project design, monitoring for cultural artifacts, and conducting future cultural resources studies along the Waterfront Red Car Line.
- 5) Geological Measures: Mitigation measures include seismic design to minimize effects on people that might be at project facilities during a seismic event.
- 6) Groundwater Measures: Mitigation measures include site remediation, soil, slurry and groundwater characterization in areas of known contamination, a contamination contingency plan, remediate former oil wells in the industrial district (Area A), Waterfront District (Area B), and within the immediate vicinity of the Waterfront Red Car Line/CCT (Area C), preparing a health based risk assessment for the marine tank farm, and remediating soil along the existing and former rail lines.
- 7) Noise: Mitigation measures include reduced use of portable generators, noise reductions during pile driving, restricted hours for pile driving,

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temporary noise barriers, restricted construction hours, and muffled equipment.

- 8) Transportation: Mitigation measures include ridesharing and carpooling, construction truck routing, and reconfiguring the southbound approach of Avalon Boulevard at the intersection of Avalon Boulevard and Anaheim Street.
- 9) Utilities: Mitigation measures include secondary sewer line installation, AB 939 waste reduction and recycling compliance, water conservation measures, recycling construction materials, use of recycled construction materials, and a solid waste management plan.

The following mitigation measures were modified in or added to the Final EIR (Transmittal 4):

- *MM AQ-6 Additional Best Management Practices*: additional measures were added to reduce the impact of construction activities and emissions from green house gases and particulate matter, as suggested by South Coast Air Quality Management District (SCAQMD) and Los Angeles County of Public Health (LACOPH).
 - *MM BIO-2 Pile Driving Monitoring*: measure was added to avoid potential effects on marine mammals that could be in the area while pile driving occurs.
 - *MM NOI-1 Additional Noise Controls*: construction activities must end by 6:00 pm Monday through Saturday; if extended hours (up to 9:00 pm on weekdays) are needed under special circumstances, the contractor will provide at least 72 hours notice to Banning's Landing Community Center. A telephone number where complaints regarding construction-related noise can be reported shall be clearly posted at the proposed Project site.
 - *MM TC-2 Changes to the Southbound Approach*: prior to reconfiguring the southbound approach of Avalon Boulevard at the intersection of Avalon Boulevard and Anaheim Street, LAHD will give additional consideration to other forms of mitigation and consult with LADOT before moving forward with this mitigation for an impact expected in Phase II.
- d. Unavoidable Significant Adverse Impacts: Even after the application of all reasonable and feasible mitigation efforts, there would still be significant

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impacts of the Wilmington Waterfront Development Project that could not be reduced or avoided below a level of significance. These impacts are described in the Findings of Fact with findings for each impact (Transmittal 2). Significant impacts in the following areas could not be mitigated to a level of insignificance: Air Quality, Geological Resources, Noise, and Cumulative Impacts in Air Quality, Biology, Geological Resources, and Noise. Significant unavoidable impacts of the proposed Project are identified below:

1) Air Quality:

- Proposed Project construction emissions would result in significant and unavoidable impacts for NO_x emissions. Construction of the proposed Project would exceed the SCAQMD 1-hour NO₂, 24-hour PM₁₀, and 24-hour PM_{2.5} ambient thresholds and would result in significant and unavoidable impacts under CEQA.
- Peak daily operational emissions from the proposed Project would result in significant and unavoidable impacts under CEQA for NO_x air emissions when combined with 2011 construction emissions.
- The proposed Project would expose sensitive receptors/people coming to the proposed Project area to higher levels of toxic air contaminants (TACs) associated with diesel particulate matter from Port operations.
- The proposed Project would produce GHG emissions that would exceed CEQA baseline levels of zero, resulting in a significant and unavoidable impact under CEQA.

2) Geological Resources: Construction and operation of the proposed Project would result in increased exposure of people and property to seismic hazards from a major or great earthquake. This increased exposure cannot be precluded, even with incorporation of modern construction engineering and safety standards.

3) Noise: Construction activities would temporarily and periodically generate noise. Although mitigation measure MM NOI-1 would reduce impacts resulting from construction noise, it would not be sufficient to reduce the projected temporary increase in the ambient noise level at ST-3 (the existing Wilmington Recreation Center) and surrounding noise-sensitive land uses to a level below significance.

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- 4) Cumulative Impacts: The incremental effects of the proposed Project, when viewed in connection with the effects of past, present and probable future projects, would be significant and unavoidable in following resource areas:
- Air Quality,
 - Biological Resources,
 - Geological Resources, and
 - Noise.
- e. Environmental Justice: An Environmental Justice (EJ) analysis was prepared in the Draft EIS/EIR. The proposed Project area would be located in the Port and adjacent to Wilmington. Within Wilmington, minorities constitute 87.1 percent of the population, and low-income persons constitute 32.2 percent of the population. Thus, Wilmington constitutes a "minority population concentration" under the Council on Environmental Quality (CEQ) guidance because the guidance indicates such a concentration exists if the percent minority exceeds 50 percent. In addition, Wilmington has a low-income population concentration. Due to the proximity of the proposed Project to existing EJ communities, the Project would have a disproportionately high and adverse impact on minority and low-income populations within the geographical area due to the significant direct and cumulative environmental effects on Air Quality (construction emissions and exposure to diesel particulate matter (DPM) and other toxic air contaminants (TAC)), Noise (construction), and Ground Transportation (at one intersection at full buildout).
10. Overriding Considerations. Pursuant to Public Resources Code section 21081, no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects that would occur if the proposed Project is approved or carried out and cannot feasibly be avoided or substantially lessened unless the agency finds that specific overriding economic, legal, social, technological, or other benefits of the proposed Project outweigh the unavoidable significant effects of the proposed Project. The Statement of Overriding Considerations must identify the substantial adverse environmental impacts that cannot be mitigated or avoided and state the reasons why, in the opinion of the decision-making body, specific economic, legal, social, technological or other benefits of the proposed Project warrant approval despite such consequences or recommendations. The draft Findings of Fact and Statement of Overriding Considerations recommended by staff is transmitted for Board consideration and adoption (Transmittal 2). Staff, in recommending the proposed Project for approval, has identified specific environmental, economic, legal, social, technological and other Project benefits. In summary, the proposed

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Project provides the following benefits, which will outweigh the potential impacts of the proposed Project:

- *Community Access.* Provides community and regional access to the Wilmington waterfront area of the Port including continuity with the downtown Wilmington Business District and open space for access and enjoyment of the waterfront.
- *Waterfront Connectivity.* Provides connectivity to the Wilmington Buffer Project and in the long term to the proposed San Pedro Waterfront developments.
- *Showcases Port Sustainability Project Design Features and Policies.* The proposed Project requires LEED certification for all new buildings as feasible by implementing and ensuring consistency with the LAHD's Green Building Policy. LEED Certification is required for all new development over 7,500 square feet within the Avalon Development District. The proposed Project uses other efficiency measures including the installation of 20,000 square feet of solar panels on the shade pavilions on the Land Bridge and waterfront piers, with a goal of achieving up to 12.5 percent of the proposed Project's energy needs; implementing recycling during construction and operation; planting drought tolerant, native plants and trees; using recycled water for water features, landscaping maintenance, and flushing toilets in new buildings; implementing stormwater management design features, such as a French drain system, bioswales, and permeable pavement within surface parking areas; and improving pedestrian and bike connectivity. The proposed Project also implements the Port of Los Angeles Sustainable Construction Guidelines and Sustainable Engineering Guidelines. Additional water efficiency and conservation measures will be implemented throughout the proposed Project area, consistent with the Port's Water Conservation Commitment Letter to the LADWP dated March 6, 2009.
- *Provides new jobs during the life of the proposed Project.* Implementation of the proposed Project would result in 336 direct jobs in its final buildout phase in 2020. Annual pay for direct, indirect, and induced jobs is estimated to be approximately \$60,000 per job.
- *Provides new construction jobs.* Construction would result in 1,186 one-year equivalent direct jobs and 1,660 one-year equivalent indirect jobs through the construction period. These workers would receive an annual pay for direct, indirect, and induced jobs estimated at approximately \$50,500 per job.
- *Provides tax revenues.* The proposed Project would lead to increased tax revenues for the Port and the City of Los Angeles by expanding the tax base of

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the area through the introduction of the Mercado, new restaurants, and new industrial development. Incremental revenue inflows resulting from the construction and completion of the proposed Project is unknown at this time but will be estimated when brought before the Board at a future date. Full buildout of the proposed Project could be expected to generate annual revenue of \$1.2 million from ground leases. Furthermore, the construction of new public open spaces that consist of plazas, parks, and landscape and hardscape areas would make the Wilmington community more attractive to visitors. Hence, there would be an overall indirect beneficial impact on local tax revenue.

- *Remediate any Contamination at the Marine Tank Farm.* Without the proposed Project, as discussed in Draft EIR Section 5.3.3.2.4 (page 5-24), impacts on groundwater and soils from existing operations would continue to occur and overtime may increase when compared with existing conditions. Moreover, site remediation would not necessarily occur at the LADWP Marine Tank Farm or other locations within the proposed Project site at some future time; therefore, groundwater and soil contamination would continue to be present, potentially exposing operational personnel and site occupants to health risks. The proposed Project would remove the LADWP Marine Tank Farm and remediate the site.
 - *Rehabilitate Historic Bekins Building.* Without the proposed Project, as discussed in Draft EIR Section 5.3.3.2.4 (page 5-22), the Bekins Building would not be rehabilitated in accordance with the Secretary of the Interior's Guidelines to Rehabilitating Historic Buildings. Over time, the Bekins Building would continue to deteriorate. The proposed Project would allow for adaptive reuse of the historic 14,500-square-foot Bekins Storage property for a Waterfront Red Car Museum.
11. Areas of Controversy. In making their determinations, it is important for the Board to be informed as to the areas of controversy associated with the proposed Project. The areas of controversy have been identified through oral and written comments received on the proposed Project during public hearings and stakeholder meetings. The list below provides the identified areas of concern that staff believes remain controversial.
- *Recreational Health Risk.* Comments were received that the proposed Project will attract people to a location of higher air pollution. While the proposed Project is not expected to increase health risk, it is possible that the potentially higher levels of pollutants in this area due to Port operations and potentially higher fine particulates could exacerbate acute and chronic health conditions of people utilizing the Wilmington Waterfront area. This topic was discussed in Chapter 3.2 of the Final EIR.

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12. EIR Certification and Project Approval. In light of these findings and conclusions, staff recommends certification of the Final EIR as being prepared in accordance with CEQA and implementing guidelines, and recommends approval of the proposed Project, all feasible mitigation measures, and the supporting Findings of Fact and Statement of Overriding Considerations, and MMRP.
13. Implementation of Mitigation. When making the CEQA findings required by Public Resources Code Section 21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code Section 21081.6 for changes to the proposed Project, which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment. A MMRP is transmitted for Board Consideration and adoption (Transmittal 3, see Recommendation 8). In addition, should the Board elect to approve the proposed Project or a Project Alternative, the mitigation measures identified in the MMRP with respect to the approved project or alternative would be incorporated into all design specifications and construction contracts.
14. Record of Proceedings. When making CEQA findings required by CEQA Guidelines 15091(e), the public agency shall specify the location and custodian of the documents or other material, which constitute the record of proceedings upon which its decision is based. These records are in the care of the Director of Environmental Management, Los Angeles Harbor Department, 425 South Palos Verdes Street, San Pedro, California 90731.
15. Notice of Determination. In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines Section 15094, a NOD will be filed with the City Clerk after the proposed Project is approved. Public Resources Code Section 21167(c) provides that any action or proceeding alleging that an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the NOD.

ECONOMIC BENEFITS:

Construction spending under this proposed Project would result in 1,186 one-year equivalent direct jobs and 1,660 one-year equivalent indirect jobs through the construction period. These workers would receive an annual pay for direct, indirect, and induced jobs estimated at approximately \$50,500 per job. Implementation of the proposed Project would result in 336 ongoing direct jobs in its final build out phase in 2020, paying wages of approximately \$60,000 per job.

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FINANCIAL IMPACT:

Mere certification of the Final EIR and approval of the proposed Project does not have a financial impact upon the LAHD. However, these actions would pave the way for implementation of the proposed Project at an estimated capital cost of \$144 million through 2017. Incremental revenue inflows resulting from the construction and completion of the proposed Project is unknown at this time but will be estimated when brought before the Board at a future date. At full buildout of the commercial development (Mercado), new restaurants, and new green-tech industrial development, the proposed Project could be expected to generate annual revenue of \$1.2 million from ground leases.

The proposed Project is also expected to benefit the LAHD by promoting water-oriented commerce, navigation, and recreational activities in conformance with the State Tidelands Trust Act. Any proposed actions discussed herein, other than certification of the Final EIR and approval of the proposed Project, will be brought before the Board under separate actions at a future date. The Final EIR costs to date are \$1,015,690 and are budgeted in the Capital Budget in Account 54260, Center 1103, Program 651, Job No. 635-00, Work Order 24612.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this Resolution and approved as to form.

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TRANSMITTALS:

1. Final Environmental Impact Report (Final EIR)
2. Findings of Fact and Statement of Overriding Considerations
3. Mitigation Monitoring and Reporting Program (MMRP)
4. Mitigation Measure List

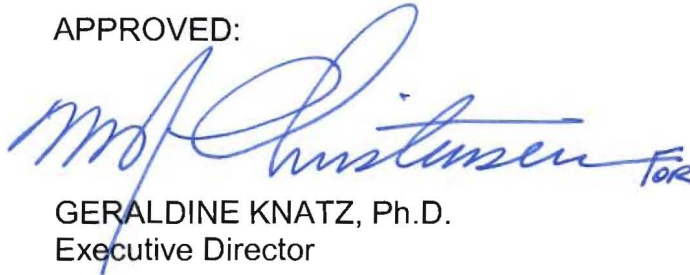


for
RALPH G. APPY, Ph.D.
Director of Environmental Management



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

RGA:LM:JGR:YO
BOARD MEETING: 06/18/09

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