



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MAY 10, 2016

FROM: ENVIRONMENTAL MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - ADOPTION OF THE FINAL INITIAL STUDY/NEGATIVE DECLARATION FOR THE PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT (APP NO. 140721-077; SCH NO. 2015111029)

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) adopt the Final Initial Study/Negative Declaration (IS/ND) for the proposed Pasha Stevedoring and Terminals (PST) Lease Renewal Project (Project), along with the comments and responses to comments; and approve the Project described in the Final IS/ND.

The proposed Project would renew Permit No. 603 issued to PST for a total of 30 years (20 years and two 5-year options) and allow omni-terminal operations at Berths 174-181 and breakbulk operations at Berths 153-155 and Berths 206-209 to continue. There would not be any physical improvements to the aforementioned terminals as part of the proposed Project. The Cargo & Industrial Real Estate Division will present the renewal of Permit No. 603 as a separate Board action.

RECOMMENDATION:

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

1. Find that, pursuant to State California Environmental Quality Act Guidelines, Section 15074, the Final Initial Study/Negative Declaration for the Pasha Stevedoring and Terminals Lease Renewal Project has (a) been completed in compliance with the California Environmental Quality Act Guidelines and the Los Angeles City California Environmental Quality Act Guidelines; (b) was presented to the Board for review and was reviewed and considered by the Board prior to approving the proposed Project; and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department as the Lead Agency;

DATE: MAY 10, 2016

PAGE 2 OF 6

SUBJECT: PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT

2. Find that, based on the whole record before it, including (a) the information contained in this report (b) the Final Initial Study/Negative Declaration for the Pasha Stevedoring and Terminals Lease Renewal Project and (c) the comments received and responses to comments, the proposed Project would not have a significant effect on the environment pursuant to Public Resources Code Section 21080 and State California Environmental Quality Act Guidelines Section 15070;
3. Find that all information added to the Final Initial Study/Negative Declaration after the public review period, but before adoption, merely clarifies, amplifies, or makes insignificant modifications, and that recirculation is not necessary;
4. Adopt the Final Initial Study/Negative Declaration for the Pasha Stevedoring and Terminals Lease Renewal Project;
5. In consideration of the whole record before it, the Final Initial Study/Negative Declaration, together with the comments received and responses to comments, approve the Pasha Stevedoring and Terminals Lease Renewal Project;
6. Direct the Cargo & Industrial Real Estate Division to incorporate by reference the Final Initial Study/Negative Declaration for the Pasha Stevedoring and Terminals Lease Renewal Project, and its lease measures, into the permits, lease agreements, or assignments encompassed by the approved Project;
7. Authorize the Environmental Management Division to file the Notice of Determination for the Final Initial Study/Negative Declaration for the Pasha Lease Renewal Project with the Los Angeles City and County Clerks; and
8. Adopt Resolution No. _____.

DISCUSSION:

Project Background/Context – PST operates an omni-terminal at Berths 174-181 where breakbulk and containers are handled. PST has been operating on Berths 174-181 under Permit No. 603 since 1986. Permit No. 603 expired in 2001 and has been on holdover since. Berths 153-155 and Berths 206-209 are secondary sites operated under separate agreements for the handling of breakbulk cargo. PST has operated at Berths 153-155 since September 2001 and at Berths 206-209 since December 2004.

DATE: MAY 10, 2016

PAGE 3 OF 6

SUBJECT: PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT

Project Objectives – The objective of the proposed Project is to renew PST's Permit No. 603 so that ongoing omni-terminal operations at Berths 174-181, and ongoing breakbulk operations at Berths 153-155 and Berths 206-209 would continue.

Project Description – The proposed Project would allow PST to continue to use and occupy Berths 174-181 “as is” under Permit No. 603 for a total of 30 years (20 years and two 5-year options). Additionally, the lease would allow PST to continue operations at Berths 153-155 and Berths 206-209 under Permit 603 for the same duration. Proposed operations would be similar to current operations and inclusive of omni-terminal operations at Berths 174-181 and breakbulk operations on Berths 153-155 and Berths 206-209. There would not be any physical improvements to the aforementioned terminals as part of the proposed Project. The Cargo & Industrial Real Estate Division will present the renewal of Permit No. 603 as a separate action.

ENVIRONMENTAL ASSESSMENT:

California Environmental Quality Act (CEQA) Documentation and Public Involvement - The City of Los Angeles Harbor Department (Harbor Department) as the CEQA Lead Agency has prepared an IS/ND for the Project which contains the following: a description of the Project and location, an initial study checklist that contains an analysis of potential environmental impacts, and proposed findings (Transmittal 1). There were no significant impacts identified from the proposed Project and therefore no mitigation is required.

The proposed lease renewal provides an opportunity to implement Clean Air Action Plan (CAAP) control measures in the form of lease measures (LMs). LM-1, Fleet Modernization for Off-Road Cargo Handling Equipment, would require the phased-in replacement of existing Cargo Handling Equipment (CHE) with equipment meeting U.S. Environmental Protection Agency (USEPA) Tier 4 off-road engine standards. LM-2, Periodic Review of New Technology, would require PST to complete a review of new emission reducing technologies, and implementation of technologies determined to be feasible, once every five years. LM-3, At-Berth Vessel Emissions Control Pilot Study, would require PST to complete a pilot study and implement this technology, if feasible, within three years of the lease being implemented.

The Draft IS/ND, dated October 2015, was circulated for public review and comment for a period of 30 days beginning on November 9, 2015 and ending on December 8, 2015. In accordance with State CEQA Guidelines § 15072, a Notice of Intent (NOI) to adopt the IS/ND was issued on November 9, 2015. Approximately 100 notices were mailed to agencies, stakeholders, and other interested parties. The notice and accompanying

DATE: MAY 10, 2016

PAGE 4 OF 6

SUBJECT: PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT

Draft IS/ND was filed with the Los Angeles City and County Clerks and was made available for public review on the Port of Los Angeles website at: <http://www.portoflosangeles.org>; at the City of Los Angeles Harbor Department Environmental Management Division at 222 West 6th Street, San Pedro, CA 90731; at the Los Angeles City Library, San Pedro Branch, at 931 S. Gaffey Street, San Pedro, CA 90731; and at the Los Angeles City Library, Wilmington Branch at 1300 North Avalon, Wilmington, CA 90744. Notice of the comment period was also advertised in the following six newspapers: Los Angeles Times, Long Beach Press Telegram, Torrance Daily Breeze, Metropolitan News Enterprise, Hoy, and Random Lengths.

Pursuant to State CEQA Guidelines § 15073, the Draft IS/ND was submitted to the State Clearinghouse for review by state agencies. A public hearing was not conducted during the public review period for the Draft IS/ND and is not required pursuant to State CEQA Guidelines § 15202.

Public Comments Received and Response to Comments - A total of seven comment letters were received during the public review period of the Draft IS/ND. Comments were received from the City of Los Angeles Bureau of Sanitation, Coalition for a Safe Environment et al., Earthjustice, the Los Angeles Unified School District, Natural Resources Defense Council et al., South Coast Air Quality Management District, and the State Clearinghouse.

Issues raised by commenters were related to the schedule for replacing existing CHE with equipment meeting USEPA Tier 4 off-road engine standards, periodic review of new technology, at-berth vessel emissions control technology, and zero emission vehicles. The Response to Comments in the Final IS/ND details changes made to the Project and contains copies of the comment letters and staff responses.

Based on the comments provided, staff has identified no new environmental effects that were not assessed in the Draft IS/ND. Changes added to the Final IS/ND after the public review period, merely clarify, amplify, or make insignificant modifications. None of the issues raised during the comment period trigger the need to re-circulate the IS/ND pursuant to the requirements of State CEQA Guidelines § 15073.5.

Areas of Controversy - In making its determinations, it is important for the Board to be informed as to the areas of controversy associated with the Project. An issue raised by several commenters involved the schedule for replacing existing CHE with equipment meeting USEPA Tier 4 off-road engine standards as not being compliant with the CAAP. However, this issue is addressed in the Final IS/ND. Changes made in the Final IS/ND explain in greater detail that immediate replacement of CHE with equipment

DATE: MAY 10, 2016

PAGE 5 OF 6

SUBJECT: PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT

meeting USEPA Tier 4 off-road engine standards is financially infeasible and therefore the replacements would be phased over a period time that takes into account cost and the remaining useful life of the equipment.

Finding and Conclusions - The Final IS/ND includes a discussion of the Project's effects on the existing environment. No significant effects on the environment were identified and no mitigation is required.

Record of Proceedings - When adopting an IS/ND as required by State CEQA Guidelines § 15074, 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, City of Los Angeles Harbor Department, 222 West 6th Street, San Pedro, CA, 90731.

Notice of Determination - In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines § 15075, a Notice of Determination will be filed with the Los Angeles City and County Clerks after the Project is approved. The filing of the Notice of Determination starts a 30-day statute of limitations on court challenges to the approval under CEQA.

ECONOMIC BENEFITS:

Staff will be able to fully evaluate economic benefits of continued PST operations through the renewal of Permit No. 603.

FINANCIAL IMPACT:

Costs associated with the preparation of the IS/ND amounted to approximately \$90,000 and were borne by the Harbor Department. Funds were budgeted in Account 54260, Center 0330, Program 000 in FY 2015/2016. Renewal of Permit No. 603 will be brought before the Board in a separate action. Conformance to the Harbor Department's Board-adopted rate-of-return policy ensures that its investments in facilities are appropriately recovered.

DATE: MAY 10, 2016

PAGE 6 OF 6

SUBJECT: PASHA STEVEDORING AND TERMINALS LEASE RENEWAL PROJECT

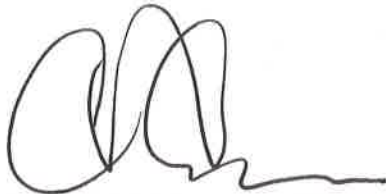
CITY ATTORNEY:

Based upon the information presented to the City Attorney's Office, the Board may certify that the Final Initial Study/Negative Declaration has been completed in compliance with CEQA.

TRANSMITTAL:

- 1. Final Initial Study/Negative Declaration, Pasha Stevedoring and Terminals Lease Renewal Project

FIS Approval: MB (initials)
 CA Approval: JD (initials)



CHRISTOPHER CANNON
 Director of Environmental Management



FDA MICHAEL DiBERNARDO
 Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
 Executive Director

CC/yo
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