

Chapter 7

Socioeconomics and Environmental Quality**7.1 Introduction**

The socioeconomic character of the area in the vicinity of the proposed Project and in the larger Southern California region is described below using information regarding employment and earnings, population, and housing resources. The description of environmental quality in the vicinity of the proposed Project consists of information regarding community redevelopment activities, planning and zoning actions taken by the City of Los Angeles, City of Long Beach, and the two ports, and other physical, social, and economic factors contributing to community perceptions of environmental quality.

7.2 Environmental Setting

The environmental setting of the proposed Project includes existing or baseline conditions and describes attributes of the human and built environment (including infrastructure) in the vicinity of the proposed Project and within the larger region of Southern California. For the purposes of this analysis and as used in this section, “Southern California” refers to a five-county region that includes the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura (i.e., Imperial and San Diego counties are excluded).

7.2.1 Socioeconomics

Socioeconomics encompasses a number of topical areas including employment and income, population, and housing. Within each of these areas, sub-topics are addressed. These include an examination of conditions at different geographical scales that have relevance to the potential impacts associated with implementation of the proposed Project.

7.2.1.1 Employment and Income

Existing conditions with regard to employment and income are described from a number of perspectives. They include the following:

- Conditions at the regional level (the five-county region within southern California, as identified above). This region represents the area in which the bulk of the economic activity stimulated by port-related activities occurs and for which modeling is appropriate.
- The contribution to the regional economy made by international trade;
- The importance of the “logistics” sector of the economy;

- The role of the San Pedro Bay ports; and
- Conditions at the county and local level, (small geographical areas in the vicinity of the ports, including Long Beach, Wilmington, San Pedro, Carson and Harbor City).

Trends in future employment and income are described from projections developed by the Southern California Association of Governments (SCAG). SCAG is the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles. As the designated Metropolitan Planning Organization, SCAG is mandated by the federal government to research and draw up plans for transportation (e.g., the Regional Transportation Plan, or RTP), growth management, hazardous waste management, and air quality (SCAG, 2012).

Employment

Overview: Between 1990 and 2010, overall employment within the southern California region increased by nearly two million jobs and civilian employment by approximately 650,000 jobs (Figure 7-1). However, as illustrated in Table 7-1, job growth and loss was variable within the five counties. Riverside County experienced the largest increase in employment, growing at an average annual rate of 3.0 percent (60.9 percent for the period), while San Bernardino experienced the second largest increase in employment, growing at an average annual rate of 1.2 percent (23.2 percent for the period). Los Angeles experienced the smallest percentage increase in employment with an average annual rate of near 0 percent (0.7 percent for the period).

Based on job growth projections prepared by SCAG, employment within the Southern California region is expected to continue to expand (Table 7-2). Riverside County and San Bernardino County are expected to have the largest overall growth, in terms of percentage, in employment between 2008 and 2035 (87.2 percent and 51.0 percent respectively, with Riverside County expected to have the highest average annual rate (3.2 percent). Orange County is expected to have the lowest overall growth between 2008 and 2035 (9.54 percent) and the lowest average annual rate (0.4 percent). However, the growth of employment within Los Angeles County is expected to vary within local jurisdictions. Within Los Angeles County, the cities of Lakewood and Rancho Palos Verdes are expected to have average annual rates (0.5 percent for both) higher than the rate projected for the entire Los Angeles County area.

Table 7-3 shows that the unemployment rate for all five counties within the Southern California region has followed a similar pattern. Beginning in 1990, the unemployment rate began to rise, and reached a peak in all five counties in the mid-1990s (Figure 7-2). This increase in unemployment was a result of a reduction in military spending (particularly in the aerospace industry) once the Cold War had come to an end. The unemployment rate began to fall gradually through the remainder of the 1990s as the economy rebounded due to the addition of new jobs associated with the “dot.com” technology company surge in activity and the residential construction boom. Unemployment rates began to increase slightly for each county in 2000 and 2001, but began to decline again in each county by 2004. Beginning in 2008, unemployment in all five counties dramatically increased due to the national recession. The unemployment rate in Orange County was consistently lower than the unemployment rate for the other four counties throughout this period.

Table 7-4 presents the changes within each job sector in Los Angeles County between 1990 and 2010. Although Los Angeles County had a net increase in civilian employment

1 between 1990 and 2010 (Table 7-1), the number of jobs in the county decreased. This
2 decrease included jobs in the manufacturing sector, which decreased by 438,800 during
3 the same period (54 percent). This decrease in manufacturing jobs was a result of the
4 reduction in military spending that began in 1990, which in turn led to a decrease in the
5 average per capita income and average payroll per job within the southern California
6 region.

7 Based on statistics from 2010, Long Angeles County's average wage per job ranked 82nd
8 among all counties in the United States. The county's per capita income ranked 377th
9 among all counties in the United States, while its median household income ranked 429th
10 (StatsAmerica, 2012).

11 International Trade: International trade includes import and export activities that generate
12 jobs and income for the region and in turn generate higher net economic benefits for the
13 region. The southern California region serves as a major transshipment center that links
14 domestic and global markets within the global economy. The Los Angeles Customs
15 District (LACD), which includes the Port of Los Angeles, Port of Long Beach, Port
16 Hueneme, and Los Angeles International Airport, is the department that facilitates
17 international trade in the region. Total trade through the LACD was \$347 billion in 2010.
18 At the LACD, international trade activity was dominated by imports. In 2010, total
19 imports for consumption in the Los Angeles area increased by 22.8% to \$241.6 billion,
20 the third highest year ever behind 2007 and 2008. Exports rebounded by 22.2%, to
21 \$105.3 billion in 2010, the second best year behind 2008. In 2010, the value of imports
22 moving by sea totaled \$269.5 billion. Exports moving by sea were valued at \$66.6 billion
23 in 2010 (LAEDC, 2011).

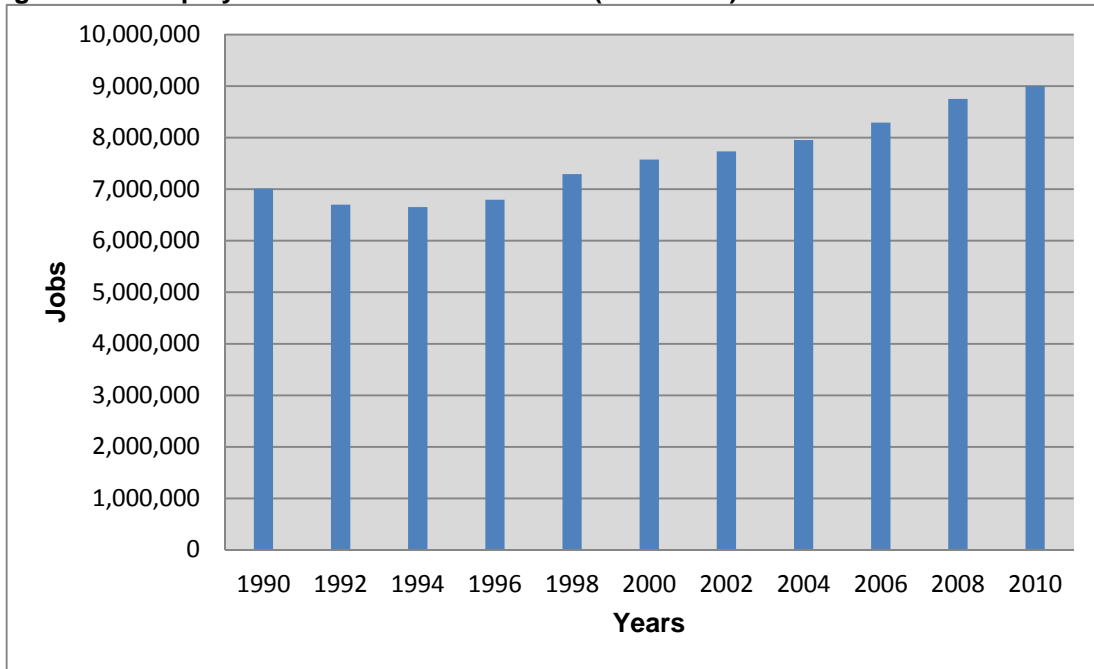
24 Direct employment related to international trade increased from approximately 175,000
25 in 1980 to approximately 485,000 in 2006. Jobs related to international trade include, but
26 are not limited to, vessel operation, cargo handling, surface transportation (truck and rail),
27 trade finance, freight forwarding, custom brokerage, and insurance. Between 2005 and
28 2006, employment related to international trade increased by approximately 35,000 jobs.
29 Except for a setback in 2002 (following a late 2001/early 2002 plunge in global trade post
30 9-11), employment in Southern California's trade-sensitive industries increased every
31 year from 1999 through 2007. However, a recession led to two years of decline, 2009 and
32 2010, with a total decline of 55,600 jobs or -9.9%.

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Figure 7-1. Employment in Southern California (1990-2010).



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2 **Table 7-1. Total Civilian Employment by County (1990-2010).**

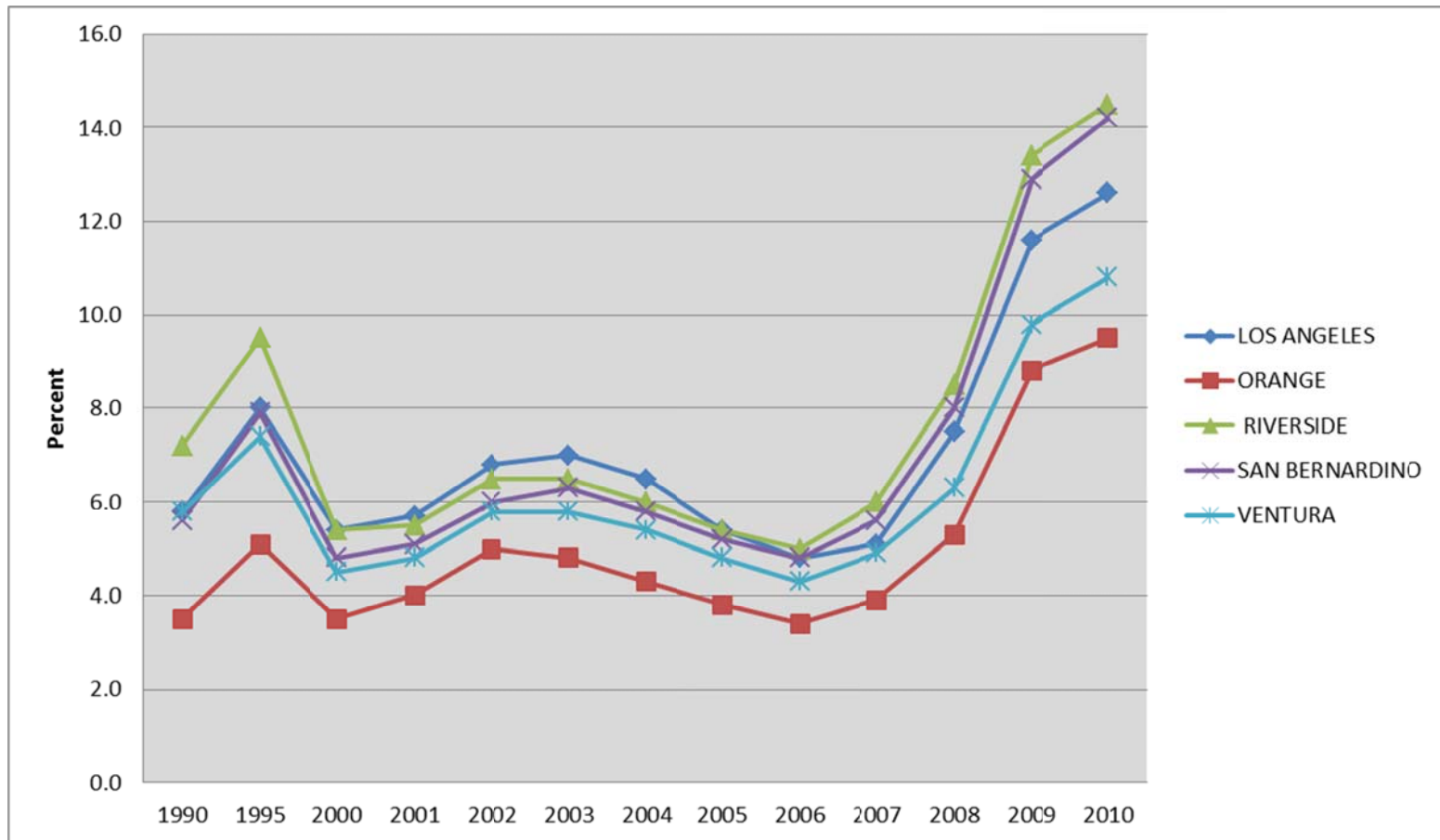
Year	County					Southern California Region
	Los Angeles	Orange	Riverside	San Bernardino	Ventura	
1990	4,259,700	1,306,200	498,300	599,600	345,600	7,009,400
1991	4,101,000	1,247,900	493,800	590,500	338,400	6,771,600
1992	4,006,700	1,241,500	507,600	604,100	339,400	6,699,300
1993	3,908,500	1,236,800	511,600	608,900	341,400	6,607,200
1994	3,898,600	1,257,500	534,000	612,900	350,400	6,653,400
1995	3,938,600	1,254,400	549,900	622,500	351,100	6,716,500
1996	3,967,800	1,280,400	563,100	634,300	349,600	6,795,200
1997	4,117,000	1,328,200	589,600	658,600	353,400	7,046,800
1998	4,246,100	1,385,300	615,900	680,100	364,500	7,291,900
1999	4,309,400	1,422,100	653,600	712,600	375,600	7,473,300
2000	4,424,900	1,429,100	644,200	704,000	374,900	7,577,100
2001	4,483,400	1,453,400	672,000	724,500	380,000	7,713,300
2002	4,447,100	1,456,500	701,800	743,200	384,600	7,733,200
2003	4,427,100	1,482,600	730,700	757,500	388,800	7,786,700
2004	4,454,100	1,508,000	771,600	784,400	391,600	7,909,700
2005	4,516,000	1,529,000	808,100	808,400	396,800	8,058,300
2006	4,578,700	1,547,300	839,000	820,700	402,500	8,188,200
2007	4,625,600	1,546,000	848,900	815,100	403,000	8,238,600
2008	4,565,500	1,532,800	835,000	794,500	402,600	8,130,400
2009	4,335,200	1,448,200	793,900	747,400	387,900	7,712,600
2010	4,291,400	1,440,400	801,600	738,900	387,800	7,660,100
Numeric Change (1990-2010)	31,700	134,200	303,300	139,300	42,200	650,700
Percentage Change (1990-2010)	0.7%	10.3%	60.9%	23.2%	12.2%	9.3%
Average Annual Percentage Change (1990-2010)	0.0%	0.5%	3.0%	1.2%	0.6%	0.5%

a) Source: CA EDD 2012

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1 **Figure 7-2. Unemployment Rate in Southern California, 1990 – 2010.**



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Table 7-2. Employment Projections (2008-2035).

	2008	2020	2035	Numeric	Percent	Average Annual Percent
Southern California (5-County Region)						
Los Angeles	4,340,000	4,558,000	4,827,000	487,000	11.2%	0.4%
Orange	1,624,000	1,626,000	1,779,000	155,000	9.5%	0.4%
Riverside	664,000	939,000	1,243,000	579,000	87.2%	3.2%
San Bernardino	701,000	810,000	1,059,000	358,000	51.1%	1.9%
Ventura	348,000	379,000	411,000	63,000	18.1%	0.7%
Incorporated Cities						
Los Angeles	1,735,200	1,817,700	1,906,800	171,600	9.9%	0.4%
Carson	51,900	52,500	54,000	2,100	4.0%	0.1%
Palos Verdes Estates	3,500	3,400	3,400	-100	-2.9%	-0.1%
Rancho Palos Verdes	6,300	6,700	7,100	800	12.7%	0.5%
Redondo Beach	30,100	30,600	31,600	1,500	5.0%	0.2%
Rolling Hills	40	40	40	0	0.0%	0.0%
Rolling Hills Estates	3,800	4,000	4,200	400	10.5%	0.4%
Torrance	105,800	109,100	113,300	7,500	7.1%	0.3%
Lakewood	15,700	16,800	17,800	2,100	13.4%	0.5%
Long Beach	168,100	176,000	184,800	16,700	9.9%	0.4%
Signal Hill	11,700	12,300	12,700	1,000	8.5%	0.3%

Source: SCAG 2012

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1 **Table 7-3. Unemployment Rate (%) By County (1990-2010).**

Year	County					
	LOS ANGELES	ORANGE	RIVERSIDE	SAN BERNARDINO	VENTURA	CALIFORNIA
1990	5.8	3.5	7.2	5.6	5.8	5.8
1995	8.0	5.1	9.5	7.9	7.4	7.9
2000	5.4	3.5	5.4	4.8	4.5	4.9
2001	5.7	4.0	5.5	5.1	4.8	5.4
2002	6.8	5.0	6.5	6.0	5.8	6.7
2003	7.0	4.8	6.5	6.3	5.8	6.8
2004	6.5	4.3	6.0	5.8	5.4	6.3
2005	5.4	3.8	5.4	5.2	4.8	5.4
2006	4.8	3.4	5.0	4.8	4.3	4.9
2007	5.1	3.9	6.0	5.6	4.9	5.4
2008	7.5	5.3	8.5	8.0	6.3	7.2
2009	11.6	8.8	13.4	12.9	9.8	11.3
2010	12.6	9.5	14.5	14.2	10.8	12.4

2 Source: CA Employment Development Department
 3 <http://www.labormarketinfo.edd.ca.gov/cgi/dataanalysis/areaselection.asp?tablename=labforce>
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1 **Table 7-4. Total Farm and Nonfarm Employment for Los Angeles County (1990-2010).**

Industry Group	Change (1990-2010)							
	1990	1995	2000	2005	2010	Number	Percent	Ave. Ann.%
Total, All Industries	4,149,500	3,754,500	4,079,800	4,031,600	3,779,300	-370,200	-8.9%	-0.4%
Total Farm	13,700	8,000	7,700	7,400	6,200	-7,500	-54.7%	-2.7%
Total Nonfarm	4,135,700	3,746,600	4,072,100	4,024,200	3,773,100	-362,600	-8.8%	-0.4%
Mining and Logging	8,200	4,100	3,400	3,700	4,100	-4,100	-50.0%	-2.5%
Construction	145,100	113,300	131,700	148,700	104,500	-40,600	-28.0%	-1.4%
Manufacturing	812,000	628,100	612,200	471,700	373,200	-438,800	-54.0%	-2.7%
Trade, Transportation & Utilities	794,900	721,100	786,000	795,400	739,800	-55,100	-6.9%	-0.3%
Information	186,200	190,900	243,700	207,600	191,500	5,300	2.8%	0.1%
Financial Activities	279,000	222,700	222,800	242,100	209,500	-69,500	-24.9%	-1.2%
Professional & Business Services	541,600	516,100	587,900	576,100	527,500	-14,100	-2.6%	-0.1%
Educational & Health Services	385,600	373,400	418,500	473,200	522,000	136,400	35.4%	1.8%
Leisure & Hospitality	306,700	309,800	344,700	377,800	384,800	78,100	25.5%	1.3%
Other Services	136,700	131,300	140,000	144,300	136,700	0	0.0%	0.0%
Government	539,800	535,700	581,300	583,700	579,600	39,800	7.4%	0.4%
Federal Government	71,900	63,400	57,900	53,500	51,600	-20,300	-28.2%	-1.4%
State & Local Government	467,900	472,300	523,300	530,200	528,000	60,100	12.8%	0.6%
State Government	69,900	70,500	77,100	78,200	80,700	10,800	15.5%	0.8%
Local Government	398,100	401,800	446,200	452,000	447,300	49,200	12.4%	0.6%

2 Source: DOF 2012

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1 Logistics Sector of the Economy: Freight movement is a system of related and integrated
2 businesses comprised of infrastructure, equipment, personnel, and information
3 components. The purpose of this system is to achieve the distribution of goods and
4 commodities between origins and destinations or suppliers and consumers within an
5 increasingly global economy. It is comprised of the following industrial sectors:
6 wholesale trade; truck transportation; support services for transportation; non-local
7 couriers; general warehousing; and air, rail, and water transportation. This group of
8 industries has begun to provide large numbers of blue collar jobs that have traditionally
9 been found in manufacturing. Accordingly, these industries provide an alternative
10 employment source to replace well-paying manufacturing jobs that have left and continue
11 to leave the region. The system's components work collectively and cooperatively and
12 have a significant impact on the local economy. As an example, a study conducted for the
13 New Jersey Department of Transportation demonstrated that employment associated with
14 freight movement in that state accounted for the direct employment of over 484,000
15 workers, exceeding the number of jobs supported by manufacturing (New Jersey
16 Department of Transportation, 2001).

17 The logistics sector of the economy within the Southern California region, including
18 trade, transportation, and utilities, are strongly linked to international trade. The logistics
19 sector provided about 1.2 million jobs to the Southern California region's economy in
20 2010, or 1 in 7 in the region. Among the total logistics jobs in the State, more than 45
21 percent were in Southern California. Additionally, the logistics sector added
22 approximately 194,000,000 jobs (16.2 percent) between 2005 and 2010.

23 A factor that freight movement-related businesses in Southern California must contend
24 with, which is less of a factor in other parts of the U.S., is the cost of living. According to
25 a study sponsored by SCAG, a number of factors important to companies have become
26 especially costly in Southern California: workers compensation insurance, electrical
27 energy, and housing (Economics and Politics, Inc., 2004). For companies that have
28 considerable locational freedom, costs in Southern California are not attractive for
29 remaining or for expanding their operations in the region. For many companies, however,
30 proximity to customers (the general population) and other factors such as facilities (ports
31 and airports) and skilled workforce are of overriding importance. These industries include
32 the services sector, motion picture industry, and transportation and warehousing.

33 For more than the last decade, the nation's manufacturers and retailers have adopted
34 "just-in-time" systems. This change in business practices has resulted in the distribution
35 industry creating a series of large goods-holding centers, including in Southern
36 California. Their location in Southern California is related to the fact that a high
37 proportion of the nation's trade with Asian economies passes through the Port of Los
38 Angeles and the Port of Long Beach. It is anticipated that the volume of this trade will
39 continue to increase, especially with the projected use of post-Panamax container ships.
40 These wide and deep-draft vessels can be accommodated on the West coast only at the
41 ports of Los Angeles, Long Beach, and Seattle-Tacoma.

42 The Trade Impact Study prepared for the Alameda Corridor Transportation Authority
43 (ACTA) and the Ports of Los Angeles and Long Beach (ACTA, 2007) examined the
44 economic impacts of the trade that passes through the San Pedro ports (i.e., the Ports of
45 Long Beach and Los Angeles), by state, Congressional District, and for the nation.
46 According to this study, state and local taxes generated throughout the nation from this
47 trade activity grew from an estimated \$6 billion in 1994 to more than \$28 billion in 2005,
48 of which \$6.7 billion was in California. From the ports, nationwide, the trade volume was
49 about \$256 billion, of which \$62.5 billion was in California.

1 From 2000 to 2010, employment associated with the international trade activity in the
2 Los Angeles five-county area grew by 14,300 jobs. In 2010, about 8.8% of total non-farm
3 jobs in Southern California were related to international trade including ports (Sidhu et al.
4 2011). This report included the economic contributions of the logistics industries located
5 at the Ports of Los Angeles and Long Beach as well as wholesalers, distributors and
6 retailers located outside the Ports.

7 Ports of Los Angeles and Long Beach: In fiscal year (FY) 2009 the Port of Los Angeles
8 (POLA) and Port of Long Beach (POLB) handled approximately 14.1 million twenty-
9 foot equivalent units (TEUs, a measure of cargo volume based on the industry standard
10 twenty-foot-long cargo container); the POLA handled approximately 7.8 million of these
11 TEUs and the POLB handled approximately 6.3 million TEUs. The top containerized
12 imports through the two ports in FY 2010 were machinery and equipment, textiles,
13 vehicles, footwear and apparel, base metals, plastics and rubber products, and crude oil.
14 The top trading partners in FY 2010 were China, Japan, South Korea, Taiwan, Thailand,
15 Vietnam, Malaysia, Australia, Singapore, Indonesia. The total cargo value for the two
16 ports in FY 2010 was approximately \$326 billion. The POLA and POLB are two of the
17 world's largest trade gateways and make substantial contributions to the regional
18 economy. If combined, the POLA and POLB would be the world's fifth-busiest port
19 complex.

20 According to the latest figures presented by the ports on their respective websites (POLA
21 2012; POLB 2012), trade that flows through the POLA and POLB results in more than \$5
22 billion a year in U.S. Customs revenues. Trade that flows through the POLA results in
23 \$5.1 billion in state tax revenue and \$21.5 billion in federal tax revenue, while trade that
24 flows through the POLB results in \$5.6 billion a year in state and local tax revenues.
25 Statistics on the ports' respective websites indicate that port industries account for
26 approximately 16,360 direct jobs for the POLA and approximately 30,000 jobs for the
27 POLB. Port users, which are businesses that use the ports to receive imports or ship
28 exports, are the biggest contributors to the economy. Export manufacturers are among the
29 major port users while others include local manufacturers who process imported
30 unfinished goods. Port customers are the retail and other non-cargo businesses in the
31 ports. They are most important to communities near the Port as a source of jobs,
32 recreation and specialty consumer goods. For the POLA, port users generate
33 approximately \$12.1 billion and stimulate an additional \$5.5 billion in local industry
34 indirect sales (POLA, 2011). Local "re-spending" by workers employed by port users and
35 the industries they impact amount to approximately \$4.1 billion. Each dollar of spending
36 for port user goods and services produces about 97 cents of additional industry sales in
37 the Southern California region. Port customers contribute about \$760 million to the local
38 economy. Trade that flows through the POLB results in approximately \$47 billion in
39 direct and indirect business sales yearly and approximately \$14.5 billion in annual trade-
40 related wages.

41 Occupation by Place of Residence: According to the 2010 census, although the largest
42 employment sector throughout the project region in 2010 was educational services/health
43 care/social assistance, manufacturing and retail trade were also major employment
44 sectors. Manufacturing employed 10.8 percent of the workers in the County of Los
45 Angeles and 8.9 percent of those in the City of Los Angeles (Table 7-5; note that the
46 occupational categories listed in Table 7-5 vary slightly from those listed in Table 7-4
47 due to the fact that the information comes from two different sources. However, those
48 differences are small, and both surveys provide accurate information on the types of
49 employment categories for a particular geographic region.). According to the 2010

1 census, 10.7 percent of employment in the County of Los Angeles and 10.2 percent in the
2 City of Los Angeles was in retail trade.

3 Income

4 As Table 7-6 shows, median household income in 2010 was \$52,684 in Los Angeles
5 County and \$47,031 in the City of Los Angeles. The median household income for the
6 representative cities adjacent to the Port (Long Beach, Torrance, and Carson) within the
7 study area ranged between \$51,426 and \$69,288, as shown in Table 7-7. Median family
8 income in 2010 was \$58,245 in Los Angeles County and \$51,029 in the City of Los
9 Angeles. The median family income for representative cities adjacent to the project site
10 ranged between \$59,765 and \$72,685. With respect to total aggregate income, wages and
11 salary income were the largest source of aggregate income for all geographic areas.

12 **Table 7-5. Occupational Breakdown by Place of Residence 2010.**

	Los Angeles County	Los Angeles City	Long Beach	Torrance	Carson
Agriculture, forestry, fishing and hunting, and mining	24,261	9,500	965	-	143
Construction	235,752	98,556	9,200	2,341	1,178
Manufacturing	473,710	155,866	22,221	9,977	5,375
Wholesale trade	159,909	49,278	8,494	3,199	1,563
Retail trade	468,911	178,115	25,278	7,404	3,939
Transportation and warehousing, and utilities:	227,934	71,463	12,941	3,769	4,733
Information	188,861	102,001	5,020	2,561	644
Finance, insurance, real estate and rental and leasing:	279,308	117,055	12,779	4,808	1,453
Professional, scientific, and management, and administrative and waste management services	545,308	240,811	26,092	8,219	3,669
Educational services, and health care and social assistance	921,140	353,591	48,420	14,266	9,929
Arts, entertainment, recreation, accommodation and food services:	436,463	202,544	23,725	5,330	3,381
Other services (except public administration)	269,174	124,267	12,061	3,360	1,392
Public administration	160,537	45,019	8,146	2,667	2,754

Source: Census 2010

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Table 7-6. Household and Family Income by Source of Income.

	Los Angeles County	Orange County	Riverside County	San Bernardino County	Ventura County	City of Los Angeles
Median household income in 2010	52,684	70,880	54,296	52,607	71,864	47,031
Median family income in 2010	58,245	79,146	60,573	56,995	81,544	51,029
Per capita income in 2010	25,724	31,373	22,373	20,291	31,135	26,226
Contribution to total aggregate income from:						
Wage or salary income	75.4%	76.4%	70.5%	76.5%	73.2%	74.4%
Self-employment income	7.2%	7.1%	5.4%	5.3%	7.6%	8.6%
Interest, dividends, or net rental income	5.6%	5.3%	6.5%	2.1%	6.1%	6.3%
Social Security	4.5%	4.4%	6.8%	5.6%	4.7%	4.1%
Supplemental Security Income	0.8%	0.4%	0.8%	1.0%	0.4%	0.9%
Public assistance income	0.3%	0.2%	0.3%	0.4%	0.1%	0.4%
Retirement income	3.8%	3.9%	6.0%	5.3%	5.4%	3.1%
Other types of income	2.3%	2.3%	3.8%	3.9%	2.4%	2.3%

Source: Census 2010

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Table 7-7. Household, Family, and Per Capita Income by Representative Cities adjacent to the Proposed Project.

	Long Beach	Torrance	Carson
Median household income in 2010	51,426	69,288	67,192
Median family income in 2010	59,765	82,100	72,685
Per capita income in 2010	25,138	32,550	22,331
Contribution to total aggregate income from:			
Wage or salary income	78.0%	74.4%	79.5%
Self-employment income	5.3%	5.6%	1.9%
Interest, dividends, or net rental income	4.1%	4.8%	2.5%
Social Security	4.3%	6.1%	6.1%
Supplemental Security Income	0.8%	0.6%	0.8%
Public assistance income	0.4%	0.2%	0.2%
Retirement income	4.4%	6.5%	5.5%
Other types of income	2.6%	1.9%	3.4%

Source: Census 2010

1 **7.2.1.2 Population**

2 The population of the Southern California region increased by approximately 3.3 million
3 people between 1990 and 2010, at an average annual rate of 1.2 percent (Table 7-8). The
4 largest annual increases took place in Riverside County (4.4 percent annually) and San
5 Bernardino County (2.2 percent annually). Los Angeles County had the smallest annual
6 increase (0.5 percent). The population of the City of Los Angeles increased at an even
7 slower annual rate of 0.4 percent. Most cities within the South Bay had average annual
8 increases even smaller than that of the City of Los Angeles, with only Carson, Signal
9 Hill, and Torrance experiencing slightly higher average annual increases.

10 Population projections prepared by SCAG estimate that the population of the Southern
11 California region will increase by approximately 4.0 million people between 2008 and
12 2035 at an average annual rate of 0.9 percent (Table 7-9). The highest growth rates are
13 projected for Riverside and San Bernardino Counties, while Los Angeles County is
14 projected to have the lowest growth rate. The population of the City of Los Angeles is
15 project to increase by approximately 550,100 people at an average annual growth rate of
16 0.5 percent.

17 **7.2.1.3 Housing**

18 Aspects of housing described below include construction trends, characteristics of the
19 existing housing stock, and trends in housing prices.

20 **Housing Construction**

21 Housing construction typically exhibits a cyclical pattern in response to local, regional,
22 and national economic conditions. In the case of Southern California, residential
23 construction experienced periods of expansion between 1967 and 1972, 1975 and 1977,
24 1982 and 1986, and 1996 to 2004 with periods of decline in between. The decline in
25 activity from 1986 through 1993 was in response to the economic dislocation associated
26 with reductions in military defense spending and base closures. As shown in Figure 7-3,
27 for the years 1990 through 2010, the number of units authorized for construction
28 increased from 5,009 in 1996 to a peak of 13,669 in 2004. However, residential
29 construction began to decline in 2005 and decreased sharply through 2009 to a low of
30 2,605 new building permits.

31 Over the 20-year period from 1990 to 2010, almost 800,000 residential buildings were
32 permitted for construction in the Southern California region. The majority of these
33 residential units were constructed in Riverside County (35.0 percent of the regional total),
34 while the second and third most were constructed in Los Angeles County (21.1 percent)
35 and San Bernardino County (18.9 percent), respectively.

1 **Table 7-8. Population by Region, County, and Place.**

	4/1/1990 (Census)	4/1/2000 (Census)	1/1/2005 (Estimate)	2010 (Census)	Numeric	Percent	Average Annual Percent
Southern California (5-County Region)	14,531,529	16,373,645	17,919,625	17,877,006	3,345,477	23.02%	1.15%
Los Angeles County	8,863,052	9,519,338	10,226,506	9,818,605	955,553	10.78%	0.54%
Orange County	2,410,668	2,846,289	3,056,865	3,010,232	599,564	24.87%	1.24%
Riverside County	1,170,413	1,545,387	1,877,000	2,189,641	1,019,228	87.08%	4.35%
San Bernardino County	1,418,380	1,709,434	1,946,202	2,035,210	616,830	43.49%	2.17%
Ventura County	669,016	753,197	813,052	823,318	154,302	23.06%	1.15%
City of Los Angeles	3,485,398	3,694,820	3,957,875	3,792,621	307,223	8.81%	0.44%
Incorporated Cities:							
Carson	83,995	89,730	98,329	91,714	7,719	9.19%	0.46%
Lakewood	73,553	79,345	83,674	80,048	6,495	8.83%	0.44%
Long Beach	429,321	461,522	491,564	462,257	32,936	7.67%	0.38%
Palos Verdes Estates	13,512	13,340	14,208	13,438	-74	-0.55%	-0.03%
Rancho Palos Verdes	41,667	41,145	43,525	41,643	-24	-0.06%	0.00%
Redondo Beach	60,167	63,261	67,325	66,748	6,581	10.94%	0.55%
Rolling Hills	1,871	1,871	1,983	1,860	-11	-0.59%	-0.03%
Rolling Hills Estates	7,789	7,676	8,191	8,067	278	3.57%	0.18%
Signal Hill	8,371	9,333	10,951	11,016	2,645	31.60%	1.58%
Torrance	133,107	137,946	147,405	145,438	12,331	9.26%	0.46%

Source: Census 2010

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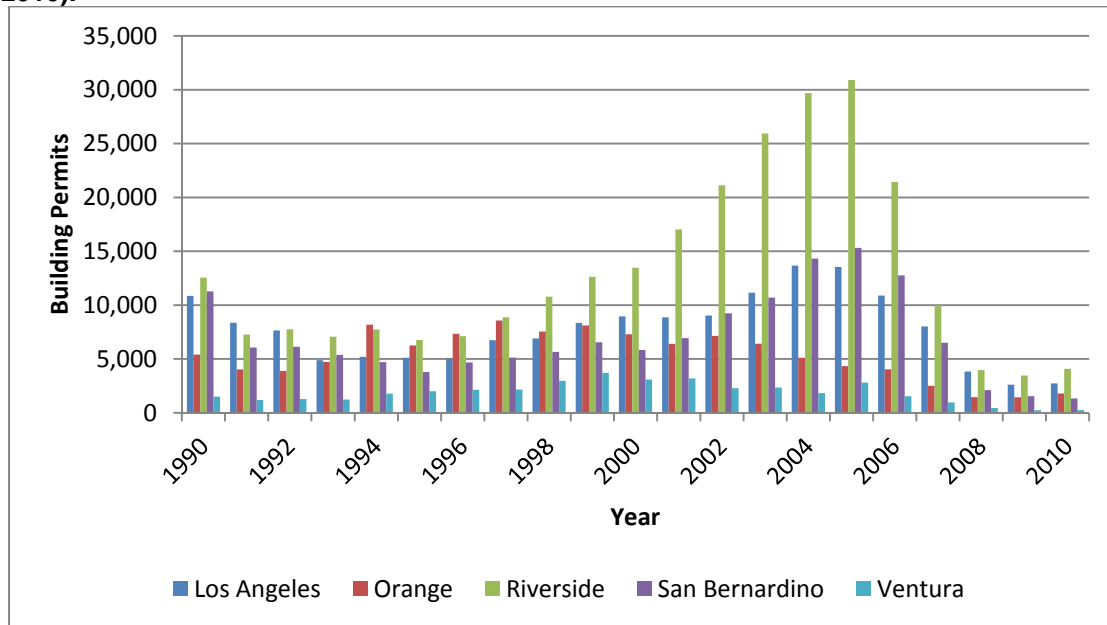
1 **Table 7-9. Population Projections for Region, County, and Place (2005-2035).**

	2008 Population	2020 Population	2035 Population	Change (2008-2035)		
				Numeric	Percent	Average Annual Percent
Southern California (5-County Region)	17,724,000	19,419,000	21,802,000	4,078,000	18.70%	0.85%
County						
Los Angeles County	9,778,000	10,404,000	11,353,000	1,575,000	13.87%	0.60%
Orange County	2,989,000	3,266,000	3,421,000	432,000	12.63%	0.54%
Riverside County	2,128,000	2,592,000	3,324,000	1,196,000	35.98%	2.08%
San Bernardino County	2,016,000	2,268,000	2,750,000	734,000	26.69%	1.35%
Ventura County	813,000	889,000	954,000	141,000	14.78%	0.64%
Incorporated Cities						
Los Angeles	3,770,500	3,991,700	4,320,600	550,100	12.73%	0.54%
Carson	91,700	97,500	106,000	14,300	13.49%	0.58%
Palos Verdes Estates	13,400	13,500	13,500	100	0.74%	0.03%
Rancho Palos Verdes	41,600	41,700	41,700	100	0.24%	0.01%
Redondo Beach	66,500	69,700	73,000	6,500	8.90%	0.36%
Rolling Hills	1,900	1,900	1,900		0.00%	0.00%
Rolling Hills Estates	8,100	8,100	8,200	100	1.22%	0.05%
Torrance	145,000	150,800	158,500	13,500	8.52%	0.34%
Lakewood	80,000	80,500	80,600	600	0.74%	0.03%
Long Beach	462,200	491,000	534,100	71,900	13.46%	0.58%
Signal Hill	11,000	11,800	12,900	1,900	14.73%	0.64%

Source: SCAG Adopted RTP 2012 Integrated Growth Forecast

2

1 **Figure 7-3. New Privately-Owned Residential Building Permits in Los Angeles County (1990-**
 2 **2010).**



6 **Housing Characteristics**

7 In Los Angeles County, the proportion of owner-occupied housing units in 2010 was
 8 almost 47 percent (53 percent was renter-occupied). For the City of Los Angeles, the
 9 corresponding shares were 38 percent and 62 percent, respectively. For the South Bay
 10 area near the Port, the proportion of owner-occupied housing units in 2010 ranged
 11 between 40 percent and 70 percent, while the proportion of renter-occupied housing units
 12 ranged between 30 percent and 60 percent (Table 7-10).

13 **Housing Prices**

14 Over the period 1997-2010 the median home price (for existing homes) in Los Angeles
 15 County increased from \$155,000 to \$330,000, which is an increase in value of
 16 approximately 112.9 percent at an average annual rate of 8.7 percent (Table 7-11).
 17 Median prices in the other four counties of Southern California also rose: 9.5 percent
 18 annually in Orange County; 6.2 percent in Riverside County; 4.8 percent in San
 19 Bernardino County; and 7.9 percent annually in Ventura County. These rates of increase
 20 in home prices did not, however, take place uniformly over the time period. Economies,
 21 regional as well as national, experience cycles of growth: positive, neutral, and negative.
 22 Over the 4-year period 2002–2006, each of the Southern California counties experienced
 23 much larger average annual increases than in the previous five-year period. However, this
 24 trend was not true for the price of new homes between 2006 and 2010, where the median
 25 price (existing homes) experienced a decrease in average annual rate. The same trends
 26 were also seen for new homes in the five-county region.

27 Median home prices at the community level also increased at high rates between 1997
 28 and 2010 (Table 7-12). Home prices increased in all communities regardless of the level
 29 of the price at the beginning of the period. For the period 1997-2006, average annual

1 growth rates ranged between 16 and 33 percent, with three communities with average
2 annual growth rates in excess of 30 percent (Inglewood, Lawndale, and Wilmington).
3 However, those same communities saw the largest negative growth rates for the years
4 2006-2010 (-13.3, -10.2, and -11.8 percent, respectively). Carson also experienced a high
5 negative growth rate at -10.2 percent. Each community experienced some amount of
6 negative growth with regard to home prices between the years 2006 and 2010, with rates
7 ranging between -13.3 and -2.4 percent.

8

1 **Table 7-10. Housing Characteristics in 2010.**

	Los Angeles County	City of Los Angeles	Torrance	Carson	Long Beach
Total Housing Units	3,444,870	1,421,938	58,042	25,506	174,236
Total Occupied housing units	3,202,353	1,310,259	53,648	24,875	158,386
Percent Owner-Occupied	46.9%	37.6%	58.9%	70.1%	39.6%
Percent Renter-Occupied	53.1%	62.4%	41.1%	29.9%	60.4%
Homeowner Vacancy Rate	2.0	2.2	0.2	not available	2.7
Rental Vacancy Rate	5.3	5.5	3.1	not available	7.3
Median number of rooms per unit	4.2	4.2	5.1	5.4	4.3
Number of Units in Structure					
Percent 1-unit, detached	49.6%	38.8%	54.5%	69.0%	42.8%
Percent 1-unit, attached	6.6%	6.1%	4.9%	12.7%	5.6%
Percent 2 units	2.5%	3.0%	1.1%	0.2%	3.2%
Percent 3 or 4 units	5.6%	5.8%	5.8%	1.5%	8.7%
Percent 5 to 9 units	7.7%	8.5%	2.9%	1.1%	10.9%
Percent 10 to 19 units	7.7%	10.3%	4.2%	0.6%	10.5%
Percent 20 or more units	18.7%	27.0%	24.3%	5.3%	17.3%
Percent Mobile home	1.5%	0.6%	2.1%	9.1%	0.9%
Percent Boat; RV; van; etc.	0.1%	0.1%	0.3%	0.4%	0.1%
Year Structure Built					
Percent Built 2005 or later	2.7%	2.1%	1.9%	0.8%	1.8%
Percent Built 2000 to 2004	3.3%	3.1%	2.8%	3.5%	1.5%
Percent Built 1990 to 1999	6.1%	5.6%	4.2%	4.4%	3.2%
Percent Built 1980 to 1989	11.5%	10.1%	8.1%	5.8%	8.6%
Percent Built 1970 to 1979	14.3%	14.4%	18.8%	14.7%	12.2%
Percent Built 1960 to 1969	15.4%	14.8%	23.6%	37.4%	14.9%
Percent Built 1950 to 1959	20.6%	18.5%	30.1%	20.5%	21.6%
Percent Built 1940 to 1949	11.4%	11.1%	7.3%	9.0%	15.0%
Percent Built 1939 or earlier	14.7%	20.3%	3.1%	4.0%	21.3%
Housing units: Median year structure built	1962	1960	1964	1964	1956

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1 Table 7-11. Home Price by County.

Existing Home Prices					
Year	County				
	LOS ANGELES	ORANGE	RIVERSIDE	SAN BERNARDINO	VENTURA
1997	\$155,000	\$190,000	\$105,000	\$92,500	\$182,500
1998	\$169,000	\$215,000	\$113,500	\$97,000	\$193,000
1999	\$179,000	\$227,000	\$123,500	\$105,000	\$210,000
2000	\$193,000	\$250,000	\$138,000	\$114,000	\$235,000
2001	\$217,000	\$280,000	\$160,000	\$129,000	\$258,000
2002	\$255,000	\$333,500	\$185,000	\$146,000	\$308,000
2003	\$310,000	\$397,000	\$230,000	\$175,000	\$365,000
2004	\$390,000	\$501,000	\$305,000	\$233,500	\$480,000
2005	\$470,000	\$583,000	\$375,000	\$310,000	\$569,000
2006	\$520,000	\$625,000	\$400,000	\$350,000	\$595,000
2007	\$540,000	\$620,000	\$380,000	\$340,000	\$565,000
2008	\$396,000	\$450,000	\$244,000	\$210,000	\$401,000
2009	\$315,000	\$410,000	\$178,500	\$140,000	\$355,000
2010	\$330,000	\$425,000	\$190,000	\$150,000	\$370,000
Change (1998-2002)					
Percent	64.5%	75.5%	76.2%	57.8%	64.5%
Av. Ann. %	12.9%	15.1%	15.2%	11.6%	12.9%
Change (2002-2006)					
Percent	103.9%	87.4%	116.2%	139.7%	93.2%
Avg Ann %	26.0%	21.9%	29.1%	34.9%	23.3%
Change (2006-2010)					
Percent	-36.5%	-32.0%	-52.5%	-57.1%	-37.8%
Av. Ann. %	-9.1%	-8.0%	-13.1%	-14.3%	-9.5%
Change (1997-2010)					
Percent	112.9%	123.7%	81.0%	62.2%	102.7%
Av. Ann. %	8.7%	9.5%	6.2%	4.8%	7.9%

New Home Prices					
Year	County				
	LOS ANGELES	ORANGE	RIVERSIDE	SAN BERNARDINO	VENTURA
1997	\$218,000	\$243,250	\$153,750	\$154,000	\$249,000
1998	\$234,000	\$296,750	\$170,000	\$166,500	\$295,000
1999	\$260,000	\$329,500	\$195,000	\$182,000	\$339,500
2000	\$283,750	\$393,500	\$226,000	\$204,000	\$357,000
2001	\$302,500	\$448,000	\$240,500	\$217,637	\$377,000
2002	\$326,000	\$497,500	\$260,500	\$237,500	\$438,750
2003	\$393,000	\$544,500	\$291,500	\$260,000	\$542,000
2004	\$447,000	\$653,250	\$356,000	\$285,500	\$650,500
2005	\$445,750	\$706,500	\$412,000	\$363,500	\$701,500
2006	\$477,500	\$679,500	\$439,000	\$395,000	\$662,250
2007	\$504,500	\$596,500	\$410,000	\$384,000	\$611,500
2008	\$430,000	\$499,000	\$332,000	\$321,000	\$434,250

New Home Prices					
Year	County				
2009	\$400,000	\$491,000	\$273,500	\$285,250	\$378,500
2010	\$411,000	\$582,750	\$281,500	\$285,000	\$359,000
Change (1997-2002)					
Percent	49.5%	104.5%	69.4%	54.2%	76.2%
Av. Ann. %	9.9%	20.9%	13.9%	10.8%	15.2%
Change (2002-2006)					
Percent	46.5%	36.6%	68.5%	66.3%	50.9%
Av. Ann. %	11.6%	9.1%	17.1%	16.6%	12.7%
Change (2006-2010)					
Percent	-13.9%	-14.2%	-35.9%	-27.8%	-45.8%
Av. Ann. %	-3.5%	-3.6%	-9.0%	-7.0%	-11.4%
Change (1997-2010)					
Percent	88.5%	139.6%	83.1%	85.1%	44.2%
Av. Ann. %	6.8%	10.7%	6.4%	6.5%	3.4%

Source: DataQuick 2012

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Table 7-12. Home Prices by Community.

Year	1997	2000	2005	2006	2007	2008	2009	2010	Ave. Ann. %
Carson	\$145,000	\$183,000	\$450,000	\$515,454	\$510,000	\$362,000	\$296,750	\$305,000	8.5%
El Segundo	\$258,000	\$350,000	\$750,000	\$768,000	\$782,500	\$720,000	\$657,000	\$688,000	12.8%
Gardena	\$140,000	\$176,000	\$448,750	\$497,000	\$490,000	\$385,000	\$300,000	\$300,000	8.8%
Hawthorne	\$145,000	\$190,000	\$490,000	\$535,000	\$549,000	\$420,000	\$325,000	\$357,500	11.3%
Hermosa Beach	\$350,000	\$505,000	\$1,000,000	\$1,100,000	\$1,199,000	\$1,149,500	\$980,000	\$930,000	12.7%
Inglewood	\$126,000	\$145,000	\$395,000	\$500,000	\$450,000	\$325,000	\$245,000	\$235,000	6.7%
Lawndale	\$135,250	\$170,500	\$455,000	\$507,000	\$480,000	\$370,000	\$293,000	\$301,000	9.4%
Lomita	\$191,000	\$245,000	\$549,000	\$554,000	\$555,000	\$485,000	\$435,000	\$406,000	8.7%
Manhattan Beach	\$485,000	\$717,500	\$1,525,000	\$1,550,000	\$1,689,000	\$1,575,000	\$1,330,000	\$1,400,000	14.5%
Marina Del Rey	\$292,500	\$499,000	\$730,000	\$800,000	\$775,000	\$755,000	\$565,000	\$600,500	8.1%
Palos Verdes Estates	\$575,000	\$765,000	\$1,360,000	\$1,400,000	\$1,413,500	\$1,300,250	\$1,150,000	\$1,170,000	8.0%
Playa Del Rey	\$185,000	\$225,000	\$527,000	\$529,500	\$514,000	\$499,500	\$471,000	\$450,000	11.0%
Rancho Palos Verdes	\$425,000	\$550,000	\$1,005,000	\$1,070,000	\$1,010,000	\$1,000,000	\$862,250	\$860,000	7.9%
Redondo Beach	\$269,000	\$360,000	\$759,000	\$769,500	\$788,500	\$710,000	\$645,000	\$649,750	10.9%
San Pedro	\$175,000	\$225,250	\$515,500	\$544,500	\$515,000	\$430,000	\$383,750	\$390,000	9.5%
Torrance	\$215,500	\$283,000	\$590,000	\$600,000	\$600,000	\$520,000	\$470,000	\$490,000	9.8%
Wilmington	\$125,000	\$156,000	\$380,000	\$472,000	\$447,500	\$325,000	\$250,000	\$250,000	7.7%

Source: DataQuick 2012

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1 **7.2.2 Environmental Quality**

2 **7.2.2.1 Introduction**

3 Environmental quality and the effect of urban decay and blight on communities in the
4 vicinity of a proposed project have recently become the focus of attention at the national
5 level. This relationship has been recognized by a number of national organizations (e.g.,
6 NRDC, 2004 and ULI, 2002). Such concerns are shared by communities in the vicinity of
7 the ports, residents, community groups, and other entities. “Environmental quality” refers
8 to an aggregative set of factors that contribute to the overall condition of the natural,
9 physical, and human environment. In the context of an urban setting, some key
10 contributing factors include visual quality and aesthetics, land use compatibility and
11 encroachment, socioeconomic conditions, real property values and attributes, air and
12 water quality, hazardous materials and waste sites, and the adequacy of public facilities
13 and services. For the purposes of this discussion, environmental quality is addressed from
14 two perspectives:

- 15 • A regulatory context where a “blighted area” refers to an area officially designated
16 for redevelopment by a public agency;
- 17 • A non-regulatory context representing the overall perception or impression of an area
18 as being physically degraded and deteriorated, showing visible signs of
19 disinvestment, deferred maintenance by both public and private entities, and other
20 adverse physical characteristics or economic or social conditions that are visible to or
21 experienced by the public (i.e., an area considered by or experienced by members of
22 the community as having degraded environmental quality, regardless of any official
23 designation).

24 Information provided in this section is derived, in part, from the analysis of land use
25 provided in Section 3.8 (e.g., Section 3.8.2.4, Redevelopment Areas in the Project
26 Vicinity) and in part from POLA (2007).

27 **7.2.2.2 Regulatory Context**

28 Laws, programs, plans, and ordinances relevant to the evaluation of environmental
29 quality and blight for the study area are described below. These include California
30 Community Redevelopment Law, descriptions of nearby redevelopment projects, the
31 Neighborhood Block Group Program, and applicable planning documents. One potential
32 precursor of blight is depreciated or stagnant property values. According to the Los
33 Angeles Economic Development Corporation (LAEDC, 2012), residential property
34 values in the Los Angeles area declined sharply in 2008 and have not recovered. A
35 number of obstacles are blocking full recovery, including tighter mortgage lending
36 standards, slow job growth, and flagging consumer confidence. However, forecasts
37 suggest that the housing market will improve as long as job growth improves and the
38 number of foreclosures decreases.

39

California Redevelopment Law

California's Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.) codifies the authority for cities and counties to establish redevelopment agencies and to identify areas that are "blighted" according to the statutory definition of blight, to designate these areas for redevelopment, to prepare redevelopment plans, and to carry out activities subject to these plans in order to support development or redevelopment of these areas. The redevelopment agencies were given unique powers to address blight in designated redevelopment areas, including the use of property tax increment in order to finance the redevelopment program and the ability to use the power of eminent domain to acquire private property at fair market value.

The statutory definition of blight has changed over time and in 1993 was changed to require evidence of both physical and economic blight conditions in a predominantly urban area: "the combination of conditions...is so prevalent and so substantial that it causes a reduction of, or lack of proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community that cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both without redevelopment" (Cal. Health & Safety Code § 3303(b)(1)). The statute describes the types of physical and economic conditions that cause blight.

On December 29, 2011, the California Supreme Court issued its opinion in *California Redevelopment Association, et al. v. Matosantos*, Case No. S194861, which upheld ABx1 26, a statute providing for the dissolution of redevelopment agencies and the elimination of their powers and requiring that successor agencies be charged with wrapping up the former redevelopment agencies' operations under the direction of an oversight board. Although ABx1 26 did not change the statutory definition of "blight," it did render inoperative all provisions of California's Community Redevelopment Law that depend on the allocation of tax increment to redevelopment agencies, including provisions authorizing the redevelopment agencies' use of tax increment to acquire private property and ability to issue bonds (Cal. Health & Safety Code § 34189(a)). ABx1 26 further charges the California Law Review Commission with the task of drafting a Community Redevelopment Law cleanup bill for consideration by the legislature no later than January 1, 2013 (Cal. Health & Safety Code § 34189(b)).

Los Angeles Harbor Industrial Center Redevelopment Project Area

The Los Angeles Harbor Industrial Center Redevelopment Project is also located near the proposed project. As described in Section 3.8.2.4 (Land Use), this redevelopment project, also known as the Wilmington Industrial Park, was adopted on July 18, 1974. The redevelopment project is located southwest of the proposed Project, bounded on the north by Anaheim Street, on the east by Alameda Street, on the south by Harry Bridges Boulevard, and on the west by Broad Avenue. The redevelopment project area was extremely blighted due to oil extraction activities and a mix of junk yards, boat construction yards, and similar heavy industrial uses in an area that also included older residences. Redevelopment activities have resulted in the presence of a modern industrial park with upgraded road and utility systems that have provided a new economic and employment base within the Wilmington community. These improvements have transformed this area into industrial headquarters for more than 75 businesses. Thirty new commercial and industrial developments have been completed, encompassing more than 779,000 square feet of floor area (City of Los Angeles, 2007).

Neighborhood Block Grant Area: East Wilmington

In 2000-2001, the City of Los Angeles selected 14 Neighborhood Block Grant (NBG) areas that would be eligible for future receipt of Community Development Block Grant resources. Funds are used for neighborhood revitalization and improvement purposes. The Mayor's Office has formed a Neighborhood Team with Project Managers from the seven Planning Commission Areas including the Harbor. The Neighborhood Team works with Neighborhood Councils and other stakeholders to select, prioritize, and allocate funds for capital improvement projects. The East Wilmington NBG area is bordered by the Pacific Coast Highway on the north, Anaheim Street on the south, Alameda Street on the east and Eubank Avenue on the west. Examples of public improvement projects include sidewalk repair and pocket park/recreational facility improvements.

Wilmington-Harbor City Community Plan

As described in Section 3.8.3.2 (Land Use), the Wilmington-Harbor City Community Plan (City of Los Angeles, 1999) covers the southern portion of the South Lead Track Area and the Potential Operations Areas for Affected Property Owners/Lesseees (south of the Primary Project Area). The Wilmington-Harbor City community plan area also covers the adjacent offsite areas located to the west, south, and southeast of the proposed Project. Relevant policies and objectives of the Wilmington-Harbor City Community Plan are described in Section 3.8.3.2.

Port of Los Angeles Master Plan

As described in section 3.8.3.6 (Land Use), the primary purpose of the Port of Los Angeles Master Plan is to guide the future development of the Port, which comprises public land and water held in trust by the City of Los Angeles under the California State Tidelands Grant. While the proposed Project is not located within the boundaries of the Port Master Plan, which extends only to Anaheim Street on the north and the Badger Avenue Bridge on the east, the Board of Harbor Commissioners has adopted the Port Rail Policy to guide development of additional intermodal rail facilities in the vicinity of the Port of Los Angeles, reduce truck trips, and reduce air emissions from rail operations. The Rail Policy directed Port staff to commence the planning, environmental assessment, site selection, and preliminary design for expanded intermodal rail facilities. In furtherance of the Rail Policy, the Los Angeles Board of Harbor Commissioners has resolved that there would be a strategic benefit of having competitively balanced, near-dock intermodal container transfer facilities for both of the two Class I Railroads that serve the Ports (Resolution 6339, adopted February 9, 2005).

Port of Los Angeles Plan (City of Los Angeles General Plan)

The Port of Los Angeles Plan (Port Plan), which adopted in 1982 with subsequent amendments, serves as the official 20-year guide to the continued development and operation of the Port. It is intended to be consistent with the PMP, as described in Section 3.8.3.1.

The Port Plan designates the northern and western portions of the Port as Commercial/Industrial land uses, which are further classified as General/Bulk Cargo and Commercial/Industrial Uses/Non-Hazardous uses. General Cargo includes container, break-bulk, neo-bulk, and passenger facilities. Commercial uses include restaurants and tourist attractions, offices, retail facilities, and related uses. Industrial uses include light manufacturing/industrial activities, ocean-resource industries, and related uses.

1 The Port Plan lays out a number of objectives and policies to guide Port development in
2 such a way as to contribute to the prosperity, welfare, and social health of the community
3 and to promote environmental protection. A number of those objectives and policies are
4 applicable to the proposed Project, as described in Section 3.8.3.1.

5 **Objectives**

- 6 • **Objective 1.** To maintain the Port of Los Angeles as an important local, regional, and
7 national resource and to promote and accommodate the orderly and continued
8 development of the Port to meet the needs of foreign and domestic waterborne
9 commerce, navigation, the commercial fishing industry, and public recreational
10 users.
- 11 • **Objective 3.** To coordinate the development of the Port of Los Angeles and the
12 development of adjacent communities as set forth in the community plans for San
13 Pedro and Wilmington-Harbor City.
- 14 • **Objective 7.** To promote efficient transportation routes within the Port consistent
15 with external systems to connect employment, waterborne commerce, commercial
16 and recreational areas
- 17 • **Objective 12.** To stimulate employment opportunities for workers residing in
18 adjacent communities, such as San Pedro and Wilmington-Harbor City.

19 **Policies**

- 20 • **Policy 7.** Decisions to undertake individual and specific development projects shall
21 be based on considerations of alternative locations and designs to minimize
22 environmental impacts.
- 23 • **Policy 13.** Road, rail and access systems within the Port and connecting links with
24 road, rail and access systems outside of the Port shall be located and designed to
25 provide necessary, convenient and safe access to and from land and water areas
26 consistent with the long-term preferred uses for the Port and consistent with the
27 applicable elements of the Los Angeles General Plan and the Local Coastal Program.

28 **7.2.2.3 Non-Regulatory Context**

29 This section discusses other potential conditions and concerns not specifically addressed
30 in the regulatory section above. Land use compatibility and encroachment of Port-related
31 industrial uses into the community is a general concern related to environmental quality,
32 including the potential expansion of Port operations beyond the existing Port boundary
33 and acquisition of new property by the Port. Location of rail and highway infrastructure
34 in the community and related traffic, congestion, diesel emissions and public safety and
35 health issues are also a concern. Land uses in the areas surrounding the proposed Project
36 are almost fully developed and include potentially sensitive land uses such as residences,
37 schools, parks, and business parks. Increases in noise, traffic, or degradation of the
38 existing air quality could potentially decrease the environmental quality of these existing
39 land uses.

40 The Port is taking a number of measures designed to reduce impacts of Port operations
41 and improve environmental quality in nearby communities. Section 1.6, Port of Los
42 Angeles Environmental Initiatives, provides a more complete description of the Port's
43 Environmental Management Policy and the measures planned and implemented in
44 accordance with that Policy.

1 **7.2.2.4 The Port's Role**

2 **Port History**

3 The Port of Los Angeles was created in 1907 with the establishment of the Los Angeles
4 Harbor Commission. Port growth was relatively slow until after World War I. Growing
5 exports of local oil and lumber, shipbuilding, fishing and cannery activities resulted in the
6 construction of numerous warehouses and sheds between 1917 and 1930. In 1917, an
7 extensive railroad system was established for transporting goods from the harbors
8 throughout the U.S. Port growth continued during the Depression of the 1930s with new
9 cargo and passenger terminal construction, in some cases replacing outdated wooden
10 cargo structures. Passenger terminals were constructed at the Port during the Port's
11 modernization related to containerized storage, between 1948 and 1953.

12 As economic commerce and technology have changed, the function of the Port has
13 shifted from its earlier focus on fishing, shipbuilding and cargo uses to one where the
14 predominant use is container shipping. These changes have also affected off-site land
15 uses, transportation, and employment. For example, different kinds of storage and
16 transport are required. As the volume of cargo moving through the Port has increased, the
17 capacities of the highway and rail system have become strained and improvements have
18 been required (e.g., the Alameda Corridor). Much of the container cargo currently
19 shipped into the Port consists of finished goods from Asia that are transported to other
20 parts of California and beyond. These types of goods do not require assembly (in the
21 region) and may be transported to warehouses or distribution centers beyond the Port
22 area. In contrast, imported oil (non-containerized) may be refined in nearby refineries
23 before being transported elsewhere; local refineries have also supported oil production in
24 the vicinity of the Port or other parts of California. Ancillary uses have also changed,
25 including shipping suppliers, goods recyclers, various light industrial uses, and as a
26 result, uses may have become outmoded or less economically viable, in some cases
27 resulting in the need for economic revitalization and redevelopment.

28 **7.3 Project Effects Related to Socioeconomics** 29 **and Environmental Quality**

30 This section addresses proposed Project effects related to socioeconomics, followed by a
31 discussion of proposed Project effects related to environmental quality.

32 **7.3.1 Project Effects Related to Socioeconomics**

33 **7.3.1.1 Impact Methodology**

34 The initial step in estimating socioeconomic effects associated with implementation of a
35 project is to characterize aspects of the construction and operational phases of that
36 project. With the aid of economic impact modeling techniques (described below), the
37 economic effects of each aspect of a project are translated into measures such as jobs and
38 income.

39 Distinctions are made between the terms “hinterland” and “economic impact area.” The
40 hinterland of a port is the spatial extent of the market reach (i.e., the geographical area
41 from which cargo shipped through a port originates and area where cargo moving through
42 a port is destined). The geographical extent of the hinterland usually is related directly to

1 the size and number of facilities at a port. The economic impact area is a geographical
2 area selected for purposes of impact analysis and comprises the area within which the
3 great majority of project-related impacts are anticipated. The economic impact area is
4 typically smaller than the hinterland.

5 The primary catalyst for changes to socioeconomic resources is a change in economic
6 activity (i.e., industrial output [value of goods and services], employment, and housing,
7 and associated community services and infrastructure. This is especially the case when
8 the additional job opportunities created through implementation of a project (during both
9 the construction and operation phases) cannot be satisfied by the local workforce. Such a
10 situation can trigger a movement of workers to the area to fill the supply of new jobs.
11 Such an influx may be temporary, as in the case of short lived construction activity, or
12 permanent, as in the case where workers move to an area to fill long-term jobs. The
13 movement of workers (and sometimes their accompanying family members) into an area
14 depends mainly on the number of job opportunities made available by the project and the
15 number and skill mix of workers available in the local labor force.

16 **Economic Effects of Port Operations**

17 The proposed Project is directly related to, and dependent upon, the operations of the
18 ports of Los Angeles and Long Beach, since its purpose is to move cargo handled by
19 those ports. Economic models and analysts distinguish several types of port operations.
20 “Port Industry” is defined as any regional economic activity that is directly needed for the
21 movement of waterborne cargo and passengers. This definition includes activities that
22 take place on the vessel, at the terminals, and during the inland movement of the cargo
23 and passengers. The definition as it pertains to cargo movement (passengers are not
24 relevant to the Project) includes documentation, financing, brokering, and other essential
25 services that are directly required for the movement of waterborne cargo. Table 7-13
26 provides a detailed breakdown of Port Industry activities related to cargo movement.

27 Because the revenues and employment associated with Port Industry activities could
28 cease to exist if the ports were to close down or become less efficient and lose their cargo
29 base, this employment base is directly impacted by port activities. A much larger group
30 of business that is less directly related to a port includes businesses that produce,
31 consume, or take to retail sale the products that move through the ports.

32 The analysis of the proposed Project and alternatives in this chapter focuses on
33 expenditures from construction activities and Port Industry operations, and associated
34 jobs, output, and tax revenues. The analysis concentrates on the railyard component of
35 the proposed Project because displaced businesses are assumed to maintain their
36 businesses elsewhere in the immediate region with little change in activity levels,
37 revenues, or employment.

38

1 **Table 7-13. Port Industry Activities.**

Vessel Expenditures	Terminal Expenditures	Transaction Expenditures	Inland Expenditures
Waterside Services: Tugs Pilotage Line Hauling Launch Radio/Radar Surveyors Dockage Lighterage Suppliers: Chandler/Provisions Laundry Medical Waste Hauling Bunkers: Oil Water	Loading/Discharging: Stevedoring Clerking and Checking Watching/Security Cleaning/Fitting Equipment Rental In-Transit Storage: Wharfage Yard Handling Demurrage Warehousing Auto & Truck Storage Grain Storage Refrigerated Storage Cargo Packing: Export Packing Container Stuffing and Stripping	Government Requirements: Customs Entrance/Clearance Immigration Quarantine Fumigation Other: Banking Freight Forwarding Insurance Brokers	Inland Movement: Long Distance Truck Short Distance Truck Barge Air Rail Pipeline

Source: U.S. Maritime Administration, 2000.

2
3
4 **Direct, Indirect, and Induced Effects**

5 Each of the types of sectors related to port operations has a multiplier effect by which
6 expenditures in one sector contribute more output and jobs than the direct expenditure
7 alone.

8 Vessels, terminals, transportation providers, and other Port Industry businesses purchase
9 goods and services from industries to support their operations. These suppliers, in turn,
10 purchase supplies and services to support their operations. These purchases continue to
11 ripple through the regional economy and impact the surrounding communities. In
12 economic impact terms, this set of expenditure ripples is known as the indirect effect. In
13 addition to the indirect effect of expenditure ripples, workers employed by the Port
14 Industry and their suppliers also generate economic impacts. The employees of the Port
15 Industry and their suppliers spend their wages and salaries on such purchases as food,
16 clothing, retail items, and vehicles. The economic ripples generated by employee
17 spending are known as the induced effect.

18 The total economic impact of each economic sector associated with port operation
19 consists of direct, indirect, and induced effects. The sum of indirect and induce effect is
20 also called secondary effect. The ratio of total (direct, indirect, and induced) effects to
21 direct effect is often called the “economic multiplier.” Multipliers represent a quantitative
22 expression of the extent to which some initial, “exogenous” force or change (such as
23 development and/or expansion of a port terminal) is expected to generate additional
24 effects through the interdependencies that exist in the economy or “endogenous” linkage
25 system. Multipliers are predicated upon a domino theory of economic change. They
26 translate the consequences of change in one variable upon others, taking account of
27 sometimes complicated and roundabout linkages. Multipliers are numerical coefficients
28 that relate an initial change in demand (or employment) to a consequent change in total
29 income (or total employment).

1 Multipliers usually range between 1.0 and 3.0 and vary by the size and complexity of the
 2 regional economy, by the interaction of industries within the area, and the interactions
 3 between the regional economy and other regions. The more inputs that are purchased
 4 locally and consumer expenditures made locally, the higher the multiplier. The larger and
 5 more highly urbanized the area, the more complex and integrated the economy is likely to
 6 be. Thus, more of the additional economic activity will likely occur within the area and
 7 increase the size of the multiplier.

8 **Economic Measures of Project Effects**

9 In describing the economic effects that implementation of a project could have on the
 10 regional economy, a number of measures can be used such as net changes in regional
 11 employment, output, wages, tax revenue, and value added. Attention is focused here on
 12 employment, output, and tax revenues.

13 **7.3.1.2 Proposed Project**

14 **Construction**

15 Implementation of the proposed Project would require completion of a number of
 16 additions and improvements to port facilities. The improvements are projected to occur
 17 mainly between 2013 and 2015. Direct project expenditures cast in an annual timeframe
 18 are presented for each year (Table 7-14). It is anticipated that effects associated with
 19 construction of the proposed Project would be experienced mostly in the five-county
 20 Southern California region, and it is this geographical area for which effects are reported.

21 Employment Impacts: During the construction phases of the proposed Project,
 22 approximately 1,500 jobs annually, both direct and secondary, could be added to the
 23 regional economy. The majority of total jobs are attributable to the construction sector of
 24 the economy (54.8 percent). About 27.7 percent of the total number of new jobs would be
 25 in the services sector, about 2.2 percent in the manufacturing sector and 9.2 percent in the
 26 retail trade sector.

27 Income and Tax Revenues: Aggregate wages and salaries during construction would
 28 reach over \$39.4 million annually. This equates to an average annual wage or salary for
 29 each worker related to the proposed Project (both direct and secondary) of \$46,600 per
 30 year (2010 dollars).

31 Annual state and local tax revenues contributed by these workers for the peak activity
 32 year (2013) would reach \$11.2 million. Overall, the project is estimated to contribute
 33 \$57.6 million in federal taxes, \$28.9 million in state and local taxes.

34
 35 **Table 7-14 Project Expenditures and Output.**

Construction Impacts				Operation Impacts				
Employment			Employment					
	2013	2014	2015		2016	2023	2035	2046/2066
Direct	857	816	727	Direct	271	338	411	450
Indirect	212	206	188	Indirect	130	162	197	216
Induced	430	410	365	Induced	259	323	393	431
Total	1,499	1,431	1,281	Total	660	823	1,001	1,096

Construction Impacts				Operation Impacts				
Employment				Employment				
Wage (\$Millions, 2010)				Wage (\$Millions, 2010)				
	2013	2014	2015		2016	2023	2035	2046/2066
Direct	42.3	40.1	35.7	Direct	29.6	37	45	49.2
Indirect	10.5	10.1	9.2	Indirect	7.7	9.6	11.7	12.8
Induced	17.2	16.4	14.7	Induced	11.2	14	17	18.6
Total	70	66.7	59.5	Total	48.5	60.6	73.6	80.7
Tax (\$Millions, 2010)				Tax (\$Millions, 2010)				
	2013	2014	2015		2016	2023	2035	2046/2066
State and Local	11.2	10.7	9.5	State and Local	8.8	11	13.3	14.6

Note: Employment, wages, and taxes in 2066 are assumed to be the same as in 2046.

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Operations

Employment:

Implementation of the proposed Project could result in an increase in employment of between 660 jobs in 2016 to 1,096 jobs in 2046 and 2066 (Table 7-14). The majority of jobs are indirect and induced. The Project site is currently occupied by seven businesses which collectively provide direct employment for over 1,700 people. The number of jobs reported was obtained from comment letters received on the Draft EIR. One of these businesses, Fast Lane representing 225 jobs, would be unaffected by the proposed Project since the majority of their operations would remain within their existing footprint and a portion of the operations would move to an alternate site as part of the proposed Project. California Cartage, representing 1,050 jobs, would have an alternate site available so their operations would continue and may be combined with another unknown site that California Cartage may choose to relocate to as part of its own business plan. The other businesses, which consist of Three Rivers Trucking, San Pedro Forklift, LA Harbor Grain Terminal, Total Intermodal Services, and Flexi Van, would have to relocate to unknown sites based on their own business relocation plans. Even if these businesses are unable to relocate, their loss is not likely to translate into a permanent loss of jobs in the region because the nature of the jobs at such businesses is driven by port trade that would continue in the region and such jobs would be needed at other companies in the region. Therefore, any job or business loss that would occur if these businesses could not find relocation sites would be made up through increased from other businesses. International trade related employment provided over 516,600 jobs in the five-county region in 2011 (LAEDC, 2011). Because the amount of activity would increase as trade volumes grow, overall employment in port related operations would continue to grow even if these businesses were unable to secure their own relocation sites.

In conjunction with the creation of the proposed SCIG facility, BNSF will undertake a workforce development strategy focused on preparing local unemployed and underemployed residents and youth for employment opportunities associated with the proposed SCIG facility. Qualified local residents will be given first priority for all new jobs.

1 The proposed workforce training program is intended to address the barriers most often
2 faced by the target population, such as a lack of high school diploma/GED, limited
3 English, a lack of awareness of career paths and access to skills training, inadequate life
4 skills, job search skills, and financial/supportive services. Key elements of the program
5 include:

- 6 • To ensure adequate community awareness of the employment and career
7 opportunities available and interest among the emerging workforce a series of
8 orientation/outreach events and career resource fairs, as well as high school career
9 awareness sessions, will be conducted.
- 10 • To ensure residents possess knowledge of the industry, work ethics, skills and habits,
11 the program will include work readiness certification classes.
- 12 • Tuition support will be provided for residents to receive occupational skills training
13 consistent with the hiring needs of the SCIG facility or other goods movement
14 employers. Training will include truck drivers, heavy equipment operators, private
15 security guards, international trade, and logistics-focused basic skills training (such
16 as writing, math, computer, and critical thinking)
- 17 • Coordinate recurring hiring events/job fairs to connect residents and program
18 graduates to SCIG openings.

19 It is anticipated that all training activities would be delivered at facilities provided
20 through a collaborative partnership among the local workforce system, educational,
21 training, and community-based entities to maximize the positive impact for the
22 community. These collaborative partners will include appropriate local One-Stop Career
23 Centers, WorkSource Centers, Four-Year Universities, Community and Technical
24 Colleges, Regional Occupational Programs, and contracted service providers.

25 Income and Tax Revenues: Aggregate wages and salaries during operations for Project
26 personnel would reach over \$48 million in 2016 and increase to \$80 million by 2046
27 (Table 7-14). This equates to an average annual wage or salary for each worker related to
28 the proposed Project (both direct and secondary) of approximately \$73,500 per year in
29 2016 (2010 dollars).

30 Annual state and local tax revenues contributed by these workers for the first year of
31 operations (2016) would be almost \$9 million. By full operations in 2046, annual state
32 and local tax revenues contributed by these workers is estimated at \$14.6 million.

33 **7.3.1.3 Alternative 1: No Project**

34 Construction: There would be no construction activities associated with the No Project
35 alternative. Therefore, there would be no construction-related employment or income
36 effects.

37 Operation: Total employment by existing tenants would be expected to increase by
38 approximately 10 percent over baseline by the year 2016, consistent with the assumed
39 increase in activity levels, without implementation of the proposed Project.

40 **7.3.1.4 Alternative 2: Reduced Project**

41 Construction: In this alternative, the near-dock railyard described in the proposed Project
42 would be constructed on the site, but its activity level would be limited by lease
43 conditions. All physical features of the project would be the same as the proposed
44 Project, including the container handling systems and the off-site improvements to roads

1 and trackage (Section 2.4.2). The construction methods and schedule would be the same
2 as the proposed Project (Section 2.4.3). As a result, the employment, income, and tax
3 effects of construction would be similar to the proposed Project (Section 7.3.1.2).

4 Operation: Throughput of the Reduced Project would be approximately 3,000 containers
5 per day and the facility would employ 250 workers (Table 2-6). Accordingly, economic
6 benefits such as jobs and income from operation would be reduced by about 40 percent
7 compared to Proposed Project, which would employ 450 workers.

8 **7.3.2 Project Effects Related to Environmental** 9 **Quality**

10 Section 7.2.2 described existing conditions related to environmental quality. That
11 description included an overview of the regulatory setting in which, under California
12 Redevelopment Law, a “blighted area” refers to an area officially designated for
13 redevelopment by a public agency based on physical and economic conditions.

14 “Blight” is also referred to as “urban decay,” and can be considered an indirect
15 environmental effect of a proposed project. Urban decay is defined as physical
16 deterioration in an urban area that is so prevalent and substantial that it impairs the proper
17 utilization of affected real estate or the health, safety, and welfare of the surrounding
18 community, which the community cannot be reasonably expected to reverse or alleviate
19 without redevelopment. Measures of physical deterioration include:

- 20 • High business vacancies;
- 21 • Abandoned buildings and commercial sites;
- 22 • Buildings that are unsafe for commercial or residential occupation;
- 23 • Vandalized properties and other evidence of abnormally high property crimes, such
24 as graffiti, broken/boarded windows and doors, etc.;
- 25 • Unauthorized use of properties and building, particularly by squatters;
- 26 • Presence of accumulated trash and/or evidence of dumping;
- 27 • Loitering;
- 28 • Unmaintained landscaping, weeds;
- 29 • Abandoned equipment and machinery; and
- 30 • Unimproved streets and alleys.

31 **7.3.2.1 Proposed Project**

32 Although the proposed Project would result in some business displacement, those
33 displacements are not expected to lead to physical deterioration so prevalent and
34 substantial that it would impair the proper utilization of affected real estate or the health,
35 safety, and welfare of the surrounding community because the displacements would be
36 minimal in the broader context of the surrounding community. The fact that the expected
37 business displacements would be minimal, taken together with the expansion of existing
38 activities and land uses with the concurrent increase in direct, indirect and induced
39 employment as well as income in the region, indicates that the proposed Project would
40 not lead to blight impacts in the context of the community.

41 Likewise, some air quality, noise, and visual impacts are anticipated to affect areas
42 adjacent to the project site. Because industrial uses currently occur in the area, however,

1 and businesses and residents are already accustomed to the presence of nearby industrial
2 uses and their activities, these impacts are not expected to cause business or residence
3 abandonment or lead to “blight” in the broader context of the surrounding community.

4 The proposed Project would not adversely influence residential property values in the
5 areas immediately adjacent to the Project site, given that it would represent a continuation
6 of existing types of activities and land uses and hence, would not change the profile of
7 the community from a residential perspective. In addition, changes in property value are
8 dependent on numerous factors that are additional and unrelated to the proposed Project,
9 including the housing market crash of 2009 that decreased property values across the
10 state and country, monetary interest rates, ease of access to employment centers,
11 availability of quality education, and historic and existing zoning practices.

12 As described in Section 7.3.1.2 and Table 7-14, the proposed Project would also increase
13 the number of direct, indirect, and induced jobs in the region by approximately 1,100 at
14 full operation, and the amount of annual wage income by nearly \$81 million income,
15 which would result in other, additional economic benefits. Since the proposed Project
16 would not adversely influence residential property values and would expand economic
17 activity in the region, the proposed Project would not result in blight impacts.

18 The proposed Project would also not induce substantial unanticipated population growth
19 because most new employees would come from local sources in the Los Angeles area.
20 Additionally, the potential for substantial secondary population growth is minimal, and
21 any incidental potential for secondary population growth in the surrounding communities
22 would be controlled by the policies of surrounding local and regional plans that address
23 land use issues.

24 Section 7.2.2 also described other conditions which, independent of any public agency
25 designation, may be perceived by the community as reducing environmental quality or
26 causing urban decay. These non-regulatory conditions include an area being physically
27 degraded or deteriorated or other types of physical, social, and economic conditions
28 visible to or experienced by the public. Off-site container storage, truck parking, and
29 truck traffic within residential neighborhoods are examples of such physical conditions.

30 As discussed above, the proposed Project would result in some business displacement,
31 but these events are not expected to lead to physical deterioration so prevalent and
32 substantial that it impairs the proper utilization of affected real estate or the health, safety,
33 and welfare of the surrounding community.

34 Likewise, while some air quality, noise, and visual impacts are anticipated to affect areas
35 adjacent to the project site, these impacts are not expected to cause business or residence
36 abandonment or lead to “blight” because industrial uses currently occur in the area and
37 businesses and residents are accustomed to existing nearby industrial uses.

38 **Container Storage**

39 The proposed Project area is devoted to warehousing, transloading; container and truck
40 maintenance, servicing, and storage; rail service; and access roads for tenants. The intent
41 of the facility is consistent with the current character of the area, and is designed to assist
42 in the distribution of containers from one transportation mode to another.

43 It is anticipated that the SCIG facility would handle approximately 570,000 TEUs in its
44 first year of operation (2016) and increase to its maximum capacity of 2.8 million TEUs
45 (1.5 million containers), as proposed by the project applicant, by 2035. The area is not
46 currently dedicated, or planned, for container storage. Thus, the proposed Project would

1 not have direct impacts on the community's environmental quality as it relates to
2 container storage because the project area is already devoted to warehousing,
3 transloading, container and truck maintenance, servicing and storage, and transportation
4 services.

5 By providing a location for staging direct intermodal containers outside marine terminal
6 backlands, the Project would help maximize the efficiency and fluidity of on-dock
7 railyards, because the limited on-dock space would be less congested with containers
8 awaiting trains for specific destinations. This project effect would promote the
9 achievement of the ports' goal of maximizing use of on-dock facilities.

10 **Truck Use in Neighborhoods**

11 Established truck routes provide access into marine terminals, rail facilities, and
12 warehousing and distribution facilities. The proposed Project includes the required use of
13 designated industrial-area truck routes, which enable heavy containers to be moved under
14 special permits to and from I-710 and Interstate 110 (I-110, also known as the Harbor
15 Freeway) along routes that have been constructed to accommodate heavy loads. This
16 requirement would prohibit use, by Project trucks, of other local streets where traffic,
17 noise, and air quality impacts to residential areas would be increased.

18 The proposed Project would eliminate a portion of existing and future truck trips between
19 the Port and the BNSF's Hobart Yard, in Vernon, by diverting them to the proposed
20 SCIG facility. The changes in traffic patterns, which are evaluated in this EIR, are being
21 proposed in order to shorten truck trips for movement of containers between ships and
22 railcars, thereby easing traffic conditions on local freeways and reducing air quality
23 impacts.

24 The proposed Project would provide direct rail access to the Alameda Corridor and
25 enable the Alameda Corridor to reach its potential in terms of train capacity, thereby
26 further realizing the significant benefits that already result from its use. Because it would
27 result in shortened truck trips that would ease local freeway conditions and air quality
28 impacts, the proposed Project would not create blight impacts from degraded
29 environmental quality or public perceptions of degraded environmental quality.

30 **Property Values Trends**

31 Proposed Project facilities would be designed and built to comply with existing municipal
32 codes and standards. The proposed Project would not cause building code violations,
33 dilapidation and deterioration, defective design or physical construction, faulty or
34 inadequate utilities, or other similar physical factors that contribute to blight. The
35 proposed Project would enhance the productivity of the Ports by reducing the amount of
36 marine terminal backland areas used for staging containers. The proposed Project would
37 use required design standards for facility development, and as a result, would not
38 contribute to blight resulting from physical deterioration.

39 While proximity of the Port may historically have led to generally lower residential
40 property values in communities nearest the Port compared to more affluent communities
41 in southern Los Angeles County, residential property values in communities near the Port
42 have remained closely related with the increase and decrease in real estate values across
43 the region that has taken place in recent years. It is not anticipated that the proposed
44 Project would change residential property trends in the areas immediately adjacent to the
45 Port because a wide variety of other factors have major influence over property values

1 and because the proposed Project is consistent with the established character and history
2 of the community where it would be located.

3 The proposed Project would increase the number of direct, indirect, and induced jobs and
4 income in the region and result in other economic benefits. As described in Section 2.4,
5 the proposed Project would not be expected to result in a loss of jobs from the existing
6 businesses on the site, as those businesses would simply move to other sites in the port
7 region. Jobs created by the proposed Project would, therefore, constitute an addition to
8 the local job base. While the economic benefits are beneficial, the increase in jobs
9 attributable to the proposed Project would be relatively small compared to current and
10 projected future employment in the larger economic region. Thus, the Project would also
11 not likely contribute substantially to increased property values due to its direct or indirect
12 economic impacts.

13 **7.3.2.2 Alternative 1: No Project**

14 Under the No Project Alternative, the Port would not issue any permits or discretionary
15 approvals, the SCIG Project would not be built, and existing uses at the site would
16 continue and the activities of these businesses would be expected to grow by 10 percent
17 from baseline levels by 2016, after which no further growth is assumed. Forecasted
18 increases in cargo throughput at the two San Pedro Bay ports, including intermodal
19 cargo, would still occur. It also assumes that drayage trucks that would operate between
20 the marine terminals and the SCIG under the proposed Project would instead operate
21 between the marine terminals and the Hobart Yard. Accordingly, the No Project
22 Alternative would result in approximately 212 additional truck trips per average day
23 between the Project site and the Hobart/Commerce Yard in each direction in 2016,
24 increasing to 6,082 additional trips per day in 2035 and thereafter (see Table 2-2) on I-
25 710, as compared to Baseline conditions. Because of the distance to the Hobart Yard,
26 each trip would be approximately 20 miles longer in each direction than under the
27 proposed Project.

28 **7.3.2.3 Alternative 2: Reduced Project**

29 This alternative is identical to the proposed Project except that the activity level for the
30 near-dock railyard would be limited by lease conditions. All physical features of the
31 project would be the same as the proposed Project, including the container handling
32 systems and the off-site improvements to road and trackage. The truck trips and rail trips
33 in this alternative would be less in any given year than the trips associated with the
34 proposed Project (Section 5.5.1). The effects of this alternative on environmental quality
35 in neighborhoods, including container storage, truck and rail use of neighborhoods, and
36 property values, would be less than those of the proposed Project in 2016 because of the
37 lower level of activity.

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39