



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: DECEMBER 19, 2013

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ FOR THE ISSUANCE OF A LEVEL III COASTAL DEVELOPMENT PERMIT (NO. 14-01) TO APM TERMINALS PACIFIC LTD. FOR THE INSTALLATION OF ONE CONTAINER CRANE AND TWO FUEL TANKS AT PIER 400

SUMMARY:

APM Terminals Pacific Ltd. (APMT) is proposing to install one container crane and two 12,000 gallon fuel tanks at Pier 400, in the portion subleased by California United Terminals Inc. (CUT), to support container terminal operations. Staff is recommending that the Board of Harbor Commissioners (Board) approve a Level III, non-appealable Coastal Development Permit (CDP) No. 14-01 for the proposed project.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Level III, non-appealable Coastal Development Permit No. 14-01 ;
2. Find that the proposed project conforms with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
3. Upon closure of the public hearing, resolve to approve the issuance of a Level III, non-appealable Coastal Development Permit No. 14-01 for the installation of one container crane and two 12,000 gallon fuel tanks at Pier 400, subject to the standard conditions set forth in the permit, and direct the Director of Planning & Economic Development to issue said permit; and
4. Adopt Resolution No. _____.

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SUBJECT: LEVEL III CDP NO. 14-01 FOR THE INSTALLATION OF ONE CRANE AND TWO FUEL TANKS AT PIER 400

DISCUSSION:

Background/Context – Permit No. 827 grants APMT the use of approximately 512 acres of land, berths, and facilities for the operation of a container terminal and ancillary operations. Permit No. 827 and the Supplemental Environmental Impact Report for the Pier 400 Container Terminal and Transportation Corridor Project were approved by the Board on October 5, 1999. On August 5, 2010, the City of Los Angeles Harbor Department (Harbor Department) affirmed a sublease of a portion of the premises at Berths 401- 406 to CUT under the conditions set forth in Permit No. 827 between the Harbor Department and APMT. APMT is proposing to install one container crane and two 12,000 gallon fuel tanks to support terminal operations at the CUT facility on the subleased portion (Transmittal 1). While the CUT facility is the beneficiary of these proposed installations, APMT is the requesting party because it is the permit holder with the Harbor Department.

Project Scope of Work – Currently, the APMT terminal, including CUT, has a total of eighteen container cranes. The proposed new container crane is a Super Post-Panamax crane and will join the existing four Super Post-Panamax cranes in the CUT portion of the terminal at Berths 405-406. Crane No. 19 will primarily serve as a backup crane in case one of the other four cranes requires maintenance or repairs. Crane No. 19 will also be used when a late vessel arrival requires the operation of five cranes to finish vessel operations on schedule. The crane would not result in an increase in operational throughput or intensify ongoing activities. The crane was designed and manufactured by Zhenhua Port Machinery Company and is the same size as the existing cranes that are currently located on the terminal. The crane's overall dimensions are 261 feet high by 490 feet long with an outreach of approximately 212 feet (22 containers across). These Super Post-Panamax cranes are capable of servicing vessels carrying approximately 12,000 TEU. Transmittal 2 shows the height of the cranes to be installed and the work to be performed. The estimated project cost is \$8 million, to be funded by CUT. No Harbor Department funds will be used to fund the proposed project. Construction is expected to start in January 2014 and is scheduled for completion by February 2014.

APMT will also be installing two 12,000 gallon fuel tanks to provide diesel fuel to CUT's yard equipment. The fuel tanks will be located at Pier 400. The 12,000 gallon fuel tanks are approximately 37 feet long by 8 feet wide by 7 feet high. The estimated cost for the installation of the two fuel tanks is \$300,000 which will be funded by CUT.

A risk analysis was prepared by the Harbor Department in accordance with the requirements and methodologies of the Port of Los Angeles Risk Management Plan (RMP). The risk analysis found that the proposed project is consistent with RMP as the proposed project would not generate any hazard footprints and therefore would not result in an overlap of any existing, planned, or permitted high density populations. The

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Los Angeles Fire Department (LAFD) has reviewed the findings of the risk analysis and concurs with the findings.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 9, is a Level III, non-appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan*. A Level III permit is one of three levels of permits that the Board can issue (Transmittal 3). Level III permits are required for developments that involve large capital expenditures, have a risk of substantial adverse environmental impacts that can be mitigated, involve the potential for unavoidable adverse impacts that cannot be mitigated, or result in major changes in land and/or water uses. The proposed project is a Level III because of the project costs.

The proposed project has been found to be consistent with the Port Master Plan, as the proposed development is a General Cargo use, which is an allowable use in Master Planning Area 9. The proposed project has also been found to be consistent with Chapter 8 policies of the California Coastal Act of 1976, as amended. Specifically, the project is consistent with Section 30708 that requires port-related development be given highest priority for the use of existing land within harbors for port purposes, including shipping industries.

The public notice for the proposed development was published on December 24, 2013 (Transmittal 4).

ENVIRONMENTAL ASSESSMENT:

The proposed action is the issuance of a Level III CDP to install one ship-to-shore crane and two 12,000 gallon aboveground fuel storage tanks to the CUT portion of Pier 400. The additional crane would not result in an increase in operational throughput or intensify ongoing activities. The aboveground fuel tanks would provide fuel to CUT's existing yard equipment and would be constructed and operated in accordance with applicable regulations. Implementation of the proposed action would not result in significant environmental effects. As such, the Director of Environmental Management has determined that the installation of one ship-to-shore crane, which involves the installation of mechanical equipment accessory to the use of existing facilities with negligible or no expansion of use, is exempt under Article III, Class 1(32) of the City of Los Angeles CEQA Guidelines; and, the installation of two 12,000 gallon aboveground fuel storage tanks, which involves the construction of minor structures accessory to existing industrial facilities, is exempt under Article III, Class 11(6) of the City of Los Angeles CEQA Guidelines.

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ECONOMIC BENEFITS:

The Project associated with the proposed CDP will support 67 direct and 54 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

Acquisition, installation, ongoing annual operating and maintenance costs associated with the crane and two fuel tanks will be borne by APMT.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this matter and determined that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Map
2. Container Crane Photo/Drawing
3. CDP No. 14-01
4. Public Notice

FIS Approval: ML (initials)
CA Approval: CFB (initials)



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APPROVED:



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ADP Nos. 130911-127 and 130911-128