



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

Board of Harbor Commissioners

DATE: SEPTEMBER 29, 2009

FROM: ENVIRONMENTAL MANAGEMENT DIVISION

SUBJECT: RESOLUTION NO. _____ - FINAL ENVIRONMENTAL IMPACT REPORT (FEIR) FOR THE SAN PEDRO WATERFRONT PROJECT (LAHD ADP NO. 041122-208; SCH NO. 2005061041)

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) certify the Final Environmental Impact Report (EIR) for the San Pedro Waterfront Project (Project) in accordance with the California Environmental Quality Act (CEQA), and approve the proposed Project. The proposed Project would connect the community with the waterfront, create waterfront promenades and open space, expand cruise facilities, and develop visitor-serving commercial development. Prior to approving the proposed Project, the Board will need to certify the EIR, make specific Findings regarding the significant environmental impacts of the proposed Project and mitigation measures to reduce or avoid such impacts, adopt a Statement of Overriding Considerations, and adopt a Mitigation Monitoring and Reporting Program to track mitigation. However, should the Board choose not to follow staff's recommendations, the analysis contained in the Draft and Final EIR would allow the Board to choose among six Project Alternatives, which have been co-equally analyzed.

If approved, the proposed Project with mitigation applied, would result in significant unavoidable impacts to: Aesthetics; Air Quality; Biological Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. The proposed Project would also result in a cumulatively considerable contribution to significant cumulative impacts in Aesthetics; Air Quality; Biological Resources; Cultural Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments, and Oceanography. Alternatives to the proposed Project would either not significantly avoid or reduce project impacts or would not adequately meet project objectives.

If approved, the proposed Project would result in a number of overriding benefits. Project implementation would enhance Tideland Trust uses, including maritime commerce, including, but not limited to navigation, public recreational facilities, open space and public access to the waterfront. The proposed Project would increase non-vehicular access to the waterfront, promote Los Angeles Harbor Department and City of Los Angeles sustainability program elements, and create significant new areas of open space. Project implementation would also implement Clean Air Action Plan (CAAP)

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measures for the cruise facilities resulting in *reduced residential health risk* in the San Pedro area.

Public spending under the proposed project would also result in 14,301 new construction-related jobs including 7,416 direct construction jobs and 6,885 indirect construction jobs. Private spending under the proposed project would result in up to 4,899 construction-related jobs including 2,523 direct construction jobs and 2,376 indirect construction jobs. At full build-out and utilization, operation of the proposed Project would support 5,660 jobs including 3,060 direct jobs and 2,600 indirect jobs. The cruise industry would generate 4,100 of the jobs, of which 2,400 would be new jobs. Project construction is expected to generate local and regional tax revenues of \$95.4 million due to public spending and up to \$32.0 million due to private spending. At full build-out and utilization, cruise and commercial operations are expected to generate \$30.3 million each year in local and regional tax revenues.

RECOMMENDATION:

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

1. Certify, pursuant to California Environmental Quality Act (CEQA) Guidelines §15090(a), that the Final Environmental Impact Report (EIR) for the San Pedro Waterfront Project (Project) (Transmittal 1) (a) has been completed in compliance with the CEQA, with the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines; (b) was presented to the Board for review and the Board reviewed and considered the information contained in the Final EIR prior to approving the project; and (c) reflects the independent judgment and analysis of the Board, and that all required procedures have been completed;
2. Adopt and make the attached CEQA Findings of Fact pursuant to CEQA Guidelines §15091, and Statement of Overriding Considerations pursuant to CEQA Guidelines §15093 (Transmittal 2);
3. Find that, in accordance with the information contained in the Final EIR for the San Pedro Waterfront Project, the proposed Project a) will have significant environmental effects on Aesthetics; Air Quality and Meteorology; Biological Resources; Cultural Resources, Geology; Groundwater and Soils; Hazards and Hazardous Materials; Land Use and Planning; Noise; Recreation; Ground Transportation and Circulation; Utilities and Public Services; Water Quality, Sediments and Oceanography; and Cumulative Impacts, as defined by Public Resources Code §§21068, 21080, 21082.2, and 21083 and the State CEQA Guidelines, §§15064, 15064.5, and 15382; b) will not have significant effects for Marine Transportation;

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4. Find that, in accordance with the provisions of the State CEQA Guidelines §15091(a)(1), changes or alterations have been required in, or incorporated into, the proposed Project, which substantially lessen or avoid the significant adverse environmental impacts identified in the Final EIR;
5. Find that, in accordance with the provisions of the State CEQA Guidelines §15091(a)(3), specific economic, legal, social, technological, or other considerations, make infeasible certain mitigation measures and Project Alternatives identified in the Final EIR. Impacts to Aesthetics; Air Quality; Biological Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; Water Quality, Sediments and Oceanography; and Cumulative Impacts remain significant and unavoidable even after all feasible mitigation is adopted;
6. Find that all information added to the Final EIR after public notice of the Draft EIR availability for public review, but before certification, merely clarifies, amplifies, or makes insignificant modifications in an adequate EIR, and recirculation is not necessary;
7. Find that, in accordance with Public Resources Code §21081(b) and State CEQA Guidelines §15093, the benefits of the project outweigh the significant and unavoidable environmental impacts of the project, and adopt the Findings of Fact and Statement of Overriding Considerations (Transmittal 2);
8. Adopt the Mitigation, Monitoring and Reporting Program (MMRP) transmitted herewith (Transmittal 3) as required by Public Resources Code, §21081.6 and CEQA Guidelines §15097. The MMRP is designed to ensure compliance with the mitigation measures adopted to mitigate or avoid significant effects on the environment, and identifies the responsibilities of Los Angeles Harbor Department (LAHD) as lead agency and other applicable entities, to monitor and verify project compliance with those mitigation measures and conditions of project approval;
9. Approve the proposed Project identified in the Final EIR, including all feasible mitigation measures set forth in the EIR with consideration of the Findings of Fact and Statement of Overriding Considerations, and the MMRP;
10. Authorize the Engineering Division to proceed with final design and direct them to incorporate the mitigation measures, conditions, Environmental Compliance Plan requirements, MMRP, and project environmental commitments into all Engineering Plans and Specifications and/or Engineering Permits for the proposed Project;
11. Direct the Real Estate Division to incorporate the EIR, mitigation measures and the MMRP into any and all lease agreements or assignments encompassed in the approved Project;

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12. Authorize the Environmental Management Division to file the Notice of Determination for the subject project with the Los Angeles City Clerk; and
13. Adopt the proposed Recommendations and this Resolution No. _____.

DISCUSSION:

1. Proposed Action - In the proposed action, the Los Angeles Harbor Department (LAHD) staff is requesting that the Board of Harbor Commissioners (Board) consider certification of the Final Environmental Impact Report (EIR)¹ for the San Pedro Waterfront Project (Project) (Transmittal 1) and consider approval of the proposed San Pedro Waterfront Project. As provided in detail in the Recommendations above, staff recommends that the Board:
 - a. Certify that the Final EIR for the San Pedro Waterfront Project (1) has been completed in compliance with the California Environmental Quality Act (CEQA); (2) was presented to the Board for its review and consideration of the information contained in the Final EIR prior to approving the project; and (3) reflects the independent judgment and analysis of the LAHD;
 - b. Adopt the Findings of Fact, the Statement of Overriding Considerations, and the Mitigation, Monitoring and Reporting Program (MMRP) (Transmittal 3); and
 - c. Approve the proposed Project.

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

2. Project Background - In 2003, LAHD hired EE&K/Gafcon to develop the San Pedro Waterfront and Promenade from Bridge to Breakwater Master Development Plan

¹ The proposed Project includes Project elements that will require federal permits from the U.S. Army Corps of Engineers (USACE). As such, an Environmental Impact Statement (EIS) was also prepared for the proposed Project. The USACE and LAHD prepared a *joint* EIS/EIR in the interest of efficiency and to avoid duplication of effort. The USACE will consider the EIS separate from the Board of Harbor Commissioner's consideration of the EIR in their Record of Decision on issuance of their permits for the proposed Project.

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(Master Plan). The vision of this Master Plan was to transform the San Pedro Waterfront in the Port of Los Angeles (Port) into a cultural and recreational venue for the community and a unique regional destination featuring the working port. It was designed to create a mix of uses at the waterfront to be integrated with the authentic small-town scale of San Pedro and create opportunities for distinctive pedestrian-oriented districts, with physical and visual access to the water throughout.

LAHD started the public planning process on October 25, 2003, hosting more than nine public planning workshops and open houses throughout San Pedro. Each workshop attracted over 150 participants and several attracted over 300 participants. Each workshop included public participation and solicited input that was used to develop the future plan.

LAHD staff previewed the content of each planning workshop with the Waterfront Steering Committee, a group of citizens selected to help shepherd the development of the waterfront plan. The Waterfront Steering Committee included representatives from the following: the Mayor's Office, the District 15 Council Office, the Community Redevelopment Agency's Community Advisory Committee, the Port Community Advisory Committee's (PCAC) San Pedro Coordinated Plan Subcommittee, Harbor-Watts Economic Development Corporation, and the Downtown Waterfront Task Force.

On September 29, 2004, a concept plan was presented to the Board, who directed staff to move forward with the environmental review process. Throughout the following year, LAHD staff attended meetings of the PCAC's San Pedro Coordinated Plan Subcommittee, the San Pedro neighborhood councils, and a working group containing members of those organizations to create a project description for the proposed Project and Project Alternatives. On June 4, 2005, LAHD, the San Pedro neighborhood councils, and PCAC sponsored a community workshop at the Sheraton Hotel in San Pedro to provide an opportunity for public comment on the Project Alternatives crafted by the working group. Approximately 100 community members attended.

In September of 2005, LAHD in conjunction with the U.S. Army Corps of Engineers (USACE) initiated the Environmental Impact Statement/EIR (EIS/EIR) for the "From Bridge to Breakwater: Master Development Plan for the San Pedro Waterfront and Promenade Project" by releasing a Notice of Intent/Notice of Preparation (NOI/NOP). Subsequently, three scoping meetings were held in September and October 2005 to further define and accept input on the scope of the EIS/EIR. Approximately 500 people attended the meetings. Following the scoping meetings for this project, LAHD staff reviewed the 125 written scoping comments and revised their design for the waterfront. Because there was

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significant public interest in advancing the public improvements as soon as possible, and there were numerous alternatives that had individual elements supported by a wide majority of the community, the LAHD developed a new proposed Project that emphasized public enhancements, incorporated common elements from various alternatives, removed the hotels, and reduced the level of development.

In December 2006, LAHD in conjunction with the USACE initiated a new EIS/EIR for the modified San Pedro Waterfront Project by releasing a supplemental NOI/NOP. This project redefined the proposed Project described in the September 2005 NOI/NOP to respond to community scoping comments. The start of this document implemented the collaborative approach to the preparation of EIRs that was requested by the Board. The scoping meeting was held on January 23, 2007, to further define and accept input on the scope of the EIS/EIR. This meeting was followed by nearly 40 meetings with stakeholders to better define their concerns. Based on the public comments received and stakeholder outreach conducted June 2007 through August 2007, LAHD has further refined the proposed Project and has developed several alternatives including an additional alternative that had no cruise terminal in the Outer Harbor. As a result of this scoping in 2007, the project and alternatives were changed with a combination of elements carried forward from previous alternatives and addition of new elements.

3. Project Purpose/Objectives - The basic purpose of the proposed Project is to improve waterfront accessibility and use. Specifically, the Project would:
 - a. Implement modifications to the existing San Pedro Waterfront along the west side of the Los Angeles Harbor Main Channel to improve its accessibility and use without impeding the public's right to free navigation; these modifications would include increasing the open water area approximately seven acres to provide a variety of waterfront uses such as berthing for visiting tall ships and other vessels such as tugboats and other recreational, commercial, and port-related uses.
 - b. Use and increase the value of deep water berths to accommodate existing and projected growth in the cruise ship industry in the Port of Los Angeles.

The project objectives identified to meet the Project purpose are described below.

- 1) Enhance and revitalize the existing San Pedro Waterfront area, improve existing pedestrian corridors along the waterfront, increase waterfront access from upland areas, and create more open space through:

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- a) Providing public access to the San Pedro Waterfront and new open spaces, including parks and other landscape amenities linked to the promenade;
 - b) Creating a continuous waterfront promenade throughout the project area allowing the public access to the water's edge;
 - c) Enhancing key linkages between downtown San Pedro and the waterfront, including the creation of a downtown harbor and promenade that will become the focal point for vessel activity and draw visitors to downtown San Pedro;
 - d) Creating and expanding the waterfront promenade as part of the California Coastal Trail to connect the community and region to the waterfront;
 - e) Providing for a variety of waterfront uses, including berthing for visiting vessels, harbor service craft and tugboats, as well as other recreational, commercial, and port-related waterfront uses;
 - f) Providing for enhanced visitor-serving commercial opportunities within Ports O' Call, complementary to those found in downtown San Pedro, as well as a potential conference center; and
 - g) Creating a permanent berth for existing Port customers' helicopters.
- 2) Expand cruise ship facilities and related parking to capture a significant share of anticipated West Coast growth in the cruise demand through:
- a) Creating space for berthing up to four cruise vessels;
 - b) Creating space for berthing of two Freedom class or equivalent vessels simultaneously; and
 - c) Enhancing cruise ship navigation down the Main Channel.
- 3) Improve vehicular access to and within the waterfront area.
- 4) Demonstrate LAHD's commitment to sustainability by reflecting the Port's Sustainability Program policies and goals in the project design, construction, and implementation.
4. Project Description - The project area comprises approximately 400 acres along the western boundary of the Port, adjacent to the community of San Pedro. The proposed Project boundaries generally encompass the land and water areas

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between Los Angeles Harbor's Main Channel to the east and Harbor Boulevard to the west, and from Vincent Thomas Bridge southward toward Inner Cabrillo Beach.

The proposed Project elements align along three distinct categories; Promenade, Harbors, and Open Space; Modifications to Existing Tenants, including development of the new cruise terminals, Redevelopment, New Development, and Cultural Attractions; and Transportation Improvements. It is estimated that Project construction cost will be approximately \$1.2 Billion (Transmittal 6).

- a. Promenade, Harbors and Open Space. The proposed Project would include a continuous 8-mile long and up to 30-foot wide promenade extending throughout the entire proposed Project area. Three new harbors are proposed: the North Harbor, Downtown Harbor, and 7th Street Harbor. The North Harbor would include a 5.0-acre water cut located at Berths 87–90; the Downtown Harbor would include a 1.5-acre water cut; and the 7th Street Harbor would include a 0.32-acre water cut for visiting public vessels near the Los Angeles Maritime Museum. The 7th Street Harbor would also feature the 7th Street Pier, a public dock for short-term berthing of visiting vessels. The Town Square would be developed as a public plaza located in front of the Los Angeles Maritime Museum at the foot of 6th Street, and would accommodate approximately 170 people for formal seating arrangements. The Town Square would include the Downtown Civic Fountain, a water feature designed to complement the civic setting of the nearby San Pedro City Hall Building. Approximately 30 acres of new parks and plazas would also be integrated throughout the project including the Town Square (2.8 acres), approximately 3-acre Fishermen's Park in Ports O' Call, San Pedro Park (18 acres), and Outer Harbor Park (6 acres). San Pedro Park would become San Pedro's "central park," designed to include an informal amphitheatre for harbor viewing, waterfront events, and concerts with lawn seating for approximately 3,000 people. The Outer Harbor Park, near berths 45-50, would be designed to maximize harbor views (such as of Angel's Gate Lighthouse), facilitate public access to the water's edge, and encourage special events. The project would add to existing open spaces, such as the 16.6-acre 22nd Street Park currently under construction, providing a total of 46.4 acres of open space and plazas within the project area.
- b. Modifications to Existing Tenants, Redevelopment and New Development. The proposed Project will redevelop the west side of the Main Channel through new development, redevelopment of existing sites, tenant relocation in certain instances, and adaptive reuse of some existing tenant facilities. The proposed changes will remove/relocate cargo-handling facilities and activities along the west side of the Main Channel to help revitalize and promote community access to the waterfront area. Details of the changes to existing development and new development are included below.

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- 1) *Ralph J. Scott Fireboat Museum:* A new 10,000 square foot multilevel display structure will be built to house the Ralph J. Scott Fireboat near the entrance to the Downtown Harbor.
- 2) *Los Angeles Maritime Institute (LAMI):* LAMI will be relocated to the Crowley building in the Downtown Harbor area.
- 3) *Crowley and Millennium Tugboat Services:* Two new 10,000 square foot office buildings located at the proposed North Harbor will be constructed for Crowley and Millennium tug companies.
- 4) *S.S. Lane Victory:* The S.S. Lane Victory will be relocated from Berth 94 to the North Harbor water cut and an up to 10,000 square foot visitor center will be built.
- 5) *Catalina Express:* The Catalina Express Terminal berthing facilities will be relocated from Berths 95-96 to the existing location of the S.S. Lane Victory at Berth 95.
- 6) *Waterfront Red Car Maintenance Facility:* A 17,600 square foot Waterfront Red Car Maintenance Facility with 20,000 square foot exterior Red Car service yard will be built at the existing Southern Pacific Railyard south of 7th Street near the proposed 13th Street pedestrian bridge and the proposed bluff parking structures. Upon completion of the new facility, the existing temporary facility at 22nd Street and Minor Streets would be removed.
- 7) *Jankovich & Son Fueling Station:* The Jankovich & Son fueling station currently located at Berth 74 near Ports O' Call will be removed, decommissioned, and remediated. A new fueling station would be developed at Berth 240 on Terminal Island.
- 8) *Southern Pacific Railyard:* The 7 acre Southern Pacific Railyard between 7th Street and the S.P. Slip, at the bluff site, will be removed to provide opportunities for the proposed bluff site parking structures.
- 9) *Westway Terminal Facilities:* The Westway Terminal located at Berth 70–71 will be demolished. Potential future use of the site include institutional/research and development uses.
- 10) *Mike's Fueling Station:* All hazardous materials with flashpoints below 140 degrees [F] would be removed prior to operation of the proposed waterfront promenade.

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- 11) *Warehouses 9 & 10:* Warehouses 9 & 10 and associated backland areas will be adapted for low-intensity community-serving commercial or educational reuse to complement the proposed San Pedro Park. Recent studies indicate significant dry rot damage to these buildings, which could affect their reuse.

The proposed Project would include expansion of the cruise ship facilities and new development and/or redevelopment opportunities for commercial- and maritime-related uses, relocation and/or renewal of existing tenant leases, and provision of associated parking facilities. These development opportunities would be entitled at levels identified in the San Pedro Waterfront Project EIR, but would be constructed consistent with the conditions outlined on page 11 of this Board Report.

The proposed Project includes up to 375,000 square feet of development opportunities for upgrading the existing Ports O' Call. This would include redevelopment of the existing 150,000 square feet of commercial development, adding up to 150,000 square feet of new commercial development, with an additional up to 75,000 square foot conference center.

The proposed Project includes two new two-story Outer Harbor Cruise Terminals totaling up to 200,000 square feet. The construction of these would be phased based on market conditions. The first Outer Harbor Cruise terminal and berth is proposed to be built at Berth 45-47 using the existing supertanker berth. The second terminal and berth at Berth 49-50 would be built when market conditions dictate the need.

Under the proposed Project, parking structures in the Inner Harbor will be needed to serve the Inner and Outer Harbor cruise facilities at full build-out. The construction of Inner Harbor parking structures would be delayed until needed. The LAHD could meet parking needs for the two berths in the Inner Harbor and one berth in the Outer Harbor by delaying the North Harbor Cut and constructing landscaped surface parking at Berth 87. Any parking structure eventually constructed in the Inner Harbor would be designed to be consistent with the Harbor Seamless Study recommendations. Low Emission Vehicle (LEV) shuttle buses (electric, CNG, etc.) would transport passengers from the parking structures at the Inner Harbor to the Outer Harbor.

- c. Transportation Improvements. Sampson Way would be expanded to two lanes in each direction and would curve near the Municipal Fish Market to meet with 22nd Street in its westward alignment east of Minor Street. Sampson Way would be accessed by an enhanced four-way intersection at 7th Street. Access to Sampson Way from Harbor Boulevard via 6th Street would be eliminated to

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accommodate the proposed Town Square. As part of the proposed Project, Harbor Boulevard would remain in place at its current capacity with two lanes in each direction. Proposed enhancements would be consistent with design standards for the Community Redevelopment Agency (CRA) Pacific Corridor and the City of Los Angeles Planning Department Community Design Overlay. The Waterfront Red Car line would be extended along the waterfront with stops at the Inner Harbor Cruise Terminal, Downtown Waterfront, Ports O' Call, San Pedro Park, City Dock No. 1, the Outer Harbor Park and Cruise Facilities, 22nd Street Park, and Cabrillo Beach.

5. Modifications to the proposed Project - Through the public process associated with this environmental review of the Project, the following proposed Project modifications are included in the Final EIR and project approval recommendations.
 - a. Cruise Terminals. Staff is recommending that the currently programmed downtown Inner Harbor cruise terminal investment should occur before Outer Harbor terminal construction. Staff is also recommending that the initial construction of an Outer Harbor Cruise Terminal should include only one berth at Berth 45-47 because it has an existing wharf, which would save the initial capital cost of a wharf at Berths 49-50 (Transmittal 6). A second berth would be built only when market conditions warrant it.
 - b. Cruise Terminal Parking. Because only one Outer Harbor Cruise berth would initially be built, staff is recommending that construction of the cruise terminal Parking Structure in the Inner Harbor and the North Harbor Cut, which is adjacent to the Inner Harbor Cruise Terminal, be deferred until needed. The LAHD can meet parking needs for the two berths in the Inner Harbor and one berth in the Outer Harbor by constructing landscaped surface parking at Berth 87. A parking structure would be built when the market dictates the second Outer Harbor cruise berth or the LAHD initiates the North Harbor Cut. Until such time, Berth 87 could be used for surface parking in addition to the existing parking facilities at the Inner Harbor Terminal.
 - c. North Harbor Cut. Staff recommends deferring constructing the North Harbor Cut for economic reasons and staging construction of this element at the end of the overall project construction period (see Transmittal 6 for a comparison of the costs of the proposed Project elements). In the interim, LAHD would use the area at Berth 87 for landscaped cruise passenger parking. This will provide an opportunity for the LAHD to defer construction of parking structures at the Inner Harbor cruise terminal until absolutely necessary. Staff will examine how to design parking structures that can also remedy some of the issues with the Berths 91-92 terminal building and replace the functional, but aesthetically unappealing temporary baggage handling structure. However, this delay does

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not mean that the North Harbor Cut is being eliminated. Staff believes that the North Harbor Cut is an important element of the waterfront and should be constructed at some time. The existing promenade was constructed along Harbor Boulevard with the intention that it would one day run along the edge of a new harbor. However, deferring the construction of a North Harbor and keeping the surface parking for a longer period of time spreads out the financial burden of the project (Transmittal 6) and enables LAHD to study ways to make the Inner Harbor parking structures less obtrusive from the community vantage point.

- d. Pedestrian Access. Staff is recommending another pedestrian connection (either signalized crossing or pedestrian bridge) from the San Pedro bluff to the Ports O' Call area over the bluff parking structures at 9th Street, in addition to the one proposed at 13th Street. The proposed Project also now includes a signalized pedestrian crossing or pedestrian bridge across Harbor Boulevard at 9th Street.
 - e. Ports O' Call Parking Structure. Staff is recommending a prohibition of roof parking and the inclusion of "green roofs" that include landscaping and solar panels, along with inviting access ways leading to grand stairways to move pedestrians over the bluff and down into the Project area. The rooftops of the Ports O' Call parking structures (under the bluff directly west of Sampson Way) would be developed with green landscaping and solar panels to accommodate pedestrian access and minimize visual disruption toward the waterfront from Harbor Boulevard.
6. Board CEQA Responsibilities - The LAHD is the CEQA Lead Agency for the Project. As such, the Board is responsible for reviewing and considering the EIR. At its discretion, the Board shall certify that the Final EIR (1) has been completed in accordance with CEQA, the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines; (2) was presented to the Board for review and the Board considered the information contained in the Final EIR prior to approving the project; and, (3) reflects the independent judgment and analysis of the LAHD. Certification of the EIR for the San Pedro Waterfront Development Project must precede project approval. Project approval requires that the Board review and consider the EIR; adopt Findings of Fact on the significant environmental effects of the Project and the feasibility of mitigation measures and project Alternatives; adopt a Statement of Overriding Considerations and adopt an MMRP.
 7. Scope and Content of Environmental Document - The Draft EIR, dated September 2008, incorporates, as appropriate, information received on the Notice of Preparation (NOP) for the project, assesses environmental impacts of the project, and co-equally examines six Project Alternatives and mitigation measures. The

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Final EIR clarifies and amplifies the Draft EIR, incorporates insignificant modifications and corrections, contains a list of persons, organizations, and public agencies commenting on the Draft EIR, contains public comments and responses to all public comments made on the Draft EIR, including concerns raised by the TraPac Appellant Group, and contains records of the public process including coordination with the PCAC and San Pedro Neighborhood Councils.

8. Intended Uses of the EIR - The EIR informs public agency decision-makers and the general public of the significant environmental effects of the project, recommends mitigation measures to minimize the significant effects, and describes reasonable alternatives to the proposed Project. This document assesses the direct and indirect impacts, including unavoidable adverse impacts, growth inducing impacts, and cumulative impacts, related to the proposed Project. This EIR is also intended to support future discretionary actions of the Board with regard to the proposed Project and the permitting/approval process of all agencies whose discretionary approvals must be obtained for particular elements of this project. For the LAHD, these actions include, but are not limited to issuing of coastal permits, engineering permits, approval of construction contracts, and approval of property use/lease agreements.
9. Environmental Documentation Process and Public Involvement - The proposed Project was subject to the required environmental documentation process that included public disclosure as required by regulation. In this case, however, public notification exceeded statutory requirements. The procedural steps of the process are described below:
 - a. Notice of Preparation. In accordance with the Los Angeles City CEQA Guidelines, Article VI, Section 1.5 and the State CEQA Guidelines, § 15082 the responsible agencies, participating city agencies, and other concerned parties were consulted through a NOP² that was released December 22, 2006, for a 45-day review period. This was a supplemental NOP and redefined the proposed Project described in the September 2005 NOP to respond to community scoping comments³. The 2006 NOP, including a Spanish translation of the Executive Summary, was distributed to 1,800 agencies, organizations, and individuals. Copies of the NOP were also made available to review online at Port of Los Angeles web site (www.portoflosangeles.org) and at the LAHD's Environmental Management Division office, and at the following

² The NOP was part of a joint Notice of Intent (NOI) (an NOI/NOP) issued by the USACE in their process to prepare an EIS in accordance with the National Environmental Policy Act (NEPA).

³ The initial NOP that was released on September 2, 2005 was also the subject of a significant public outreach, including direct distribution (with Spanish translation) to 575 stakeholders, local and regional newspapers, no fewer than ten presentations to local organizations and three public scoping meetings held September 15, September 29 and October 11 of 2005. Over 180 parties attended the scoping meetings. A detailed description of the public involvement involved with the scoping process can be found in Section ES.7 of the Draft EIS/EIR.

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libraries: Main Branch, San Pedro Branch, and Wilmington Branch of the Los Angeles Public Library, and the Main Branch of the Long Beach Public Library. Availability of the NOP and notification of the public scoping meeting were also publicized with over 70,000 postcards, and ads in seven local and regional newspapers. Approximately 130 people attended the public scoping meeting which was held January 23, 2007, at the Crowne Plaza Hotel in San Pedro.

As part of the public review, staff met with a number of stakeholders, including the PCAC San Pedro Coordinated Plan Subcommittee, Coastal San Pedro Neighborhood Council, Central San Pedro Neighborhood Council, Northwest San Pedro Neighborhood Council, and the San Pedro Chamber of Commerce.

- b. Draft Environmental Impact Report. The Draft EIR was released on September 22, 2008, for a 77-day review period. Approximately 2,000 hard copies and CDs of the Draft EIR were distributed to various government agencies, organizations, all PCAC members, individuals and Port tenants. Public notices of completion stating that the Draft EIR was available for review were published in five newspapers: Los Angeles Times, Daily Breeze, Long Beach Press Telegram, Los Angeles Sentinel and La Opinión. Over 70,000 postcards in English and Spanish noticing the document and the public meeting were sent to all San Pedro and Wilmington addresses. Electronic notices of the comment period and public meeting were also sent to all known e-mail addresses on the project mailing list.

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

A public meeting to take oral comments on the Draft EIR was held on October 27, 2009, at the Crowne Plaza Hotel in San Pedro, California. The LAHD also provided a Spanish/English interpreter at the public meeting. There were 45 speakers making public comments during the Draft EIR public meeting. The public meeting transcript was posted on the Port's website and is included in the Final EIR.

LAHD received 383 comment letters and comments through the public meeting transcript on the Draft EIR during the public review process.

- c. Responses to Comments. As required by Public Resources Code § 21092.5, all agencies, organizations, and individuals who commented on environmental

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issues in the Draft EIR were provided with responses to comments at least 10 days prior to the Final EIR being submitted to the Los Angeles Board of Harbor Commissioners for certification. The responses to comments are included in Chapter 2 of the Final EIR and hard copies were mailed by September 16, 2009 to all those who submitted comments.

- d. Final Environmental Impact Report. In accordance with the Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines, § 15088, comments on environmental issues received on the Draft EIS/EIR were evaluated and responded to. The comment letters and responses to comments are presented in the Final EIR (Transmittal 1). The Final EIS/EIR was completed on September 16, 2009. In addition to the Final EIS/EIR, staff also prepared the "San Pedro Waterfront Project Recommendation from staff, Final Proposed Project Summary" (Proposed Project Summary) document (Transmittal 5), which detailed the proposed Project and staff recommendations for community distribution prior to the Board hearing. The Proposed Project Summary document was posted on the Port of Los Angeles's website (www.portoflosangeles.org) on September 15, 2009, and the Final EIS/EIR was posted on September 16, 2009. Approximately 2,000 CDs of the Final EIR and Proposed Project Summary document were distributed to various government agencies, organizations, all PCAC members, individuals and Port tenants. The 283 Stakeholders that commented on the Draft EIR received a hard copy of Chapter 2 of the Final EIR which included specific responses to their comments. Public notices of completion stating that the FEIR was available for review were published in five newspapers: Los Angeles Times, Daily Breeze, Long Beach Press Telegram, Los Angeles Sentinel and La Opinión. Electronic notices of the Final EIR, Proposed Project Summary document, and public meeting were also sent to all known e-mail addresses on the project mailing list.

Copies of the Final EIR and Proposed Project Summary document were available for review at the LAHD's Environmental Management Division office, and at the following libraries: the Main Branch, San Pedro Branch, and Wilmington Branch of the Los Angeles Public Library.

- e. Public Outreach and Coordination. The EIR process involved extensive public outreach and coordination. Along with sponsoring community workshops, staff attended monthly PCAC and PCAC subcommittee meetings as well as regular neighborhood council meetings. In addition, staff met no fewer than six times with the TraPac Appellant Group to discuss the project. Staff also met with various other local groups including the San Pedro Chamber of Commerce.

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10. Findings and Conclusions - The EIR and Findings of Fact and Statement of Overriding Considerations, transmitted herewith (Transmittal 2), identify major findings and conclusions, including a discussion of areas of environmental concern, alternatives, feasible mitigation measures, and significant unavoidable impacts. The discussion below summarizes the proposed findings included in Transmittal 2 for the Board's consideration.
 - a. Areas of Environmental Concern. Through the public environmental process a number of areas of environmental concern were identified. These potential impacts and others were assessed in the EIR. The impacts associated with the proposed Project are discussed in detail, by resource area, in the EIR. Significant environmental impacts prior to the imposition of mitigation were identified in the areas of Aesthetics; Air Quality; Biological Resources; Cultural Resources, Geology; Groundwater and Soils, Hazards and Hazardous Materials; Land Use and Planning; Noise; Recreation; Ground Transportation and Circulation; Utilities and Public Services; Water Quality, Sediments and Oceanography; and Cumulative Impacts in these same resource areas. After environmental analysis and, in some cases, application of mitigation, impacts in the areas of Aesthetics; Air Quality; Biological Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography and Cumulative Impacts would remain significant and unavoidable if the proposed Project is approved. The EIR also included evaluations of Environmental Justice and Socioeconomics and, found, based on the demography of the surrounding communities and the region, that the project would have disproportionately high impacts in the areas of Air Quality, Noise, Recreation and Ground Transportation and Circulation.
 - b. Choice Among Alternatives. Nine alternatives were considered for this Project. Three of these alternatives were eliminated from further considerations as discussed in Draft EIR Section 2.5.2 for a combination of physical, navigational and cost infeasibilities. These alternatives included: (1) Cruise Ship berth at Berths 66-67 (South of Warehouse No. 1); (2) Alternative Cruise Ship Berth at Berths 69-72 (Adjacent to Warehouse No. 1); and (3) Alternative Cruise ship Berth at Berths 75-79 (Ports O' Call). Six remaining Alternatives to the proposed Project that were considered in detail are discussed below (see also Draft EIR Chapter 6). The proposed Project and all Alternatives, except the No-Project Alternative, have unavoidable significant impacts in the area of Aesthetics; Air Quality; Biological Resources; Geology, Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. Reference is made in the Alternatives discussion below to the CEQA Project Objectives discussed on pages 6 and 7 of this document.

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Alternative 1. As compared to the proposed Project, Alternative 1 would reduce the number of Outer Harbor Cruise berths to one, construct a Waterfront Red Car Museum in Warehouse No. 1, reduce Harbor Boulevard at 7th to one lane with a roundabout at 13th Street, and provide a roadway connecting Miner and Crescent Streets. While Alternative 1 would reduce environmental effects in some resource areas as compared to the proposed Project, it would not avoid any significant environmental effects of the proposed Project. The proposed Project and Alternative 1 both have unavoidable significant impacts in the areas of Aesthetics; Air Quality; Biological Resources; Geology, Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. In addition, Alternative 1 would not accomplish Project Objective Number 2, nor fully accomplish the goals of Project Objective Number 3. Alternative 1 would not support the long-term projected increase in cruise ship passengers and larger vessels, create space for berthing up to four cruise vessels, or create space for berthing of two Freedom/Voyager class vessels simultaneously. In addition, by reducing transportation improvements, the Alternative would not improve vehicular access to and within the Project area.

Alternative 2. As compared to the proposed Project, Alternative 2 would locate a parking structure at the Outer Harbor Cruise facilities, reduce Harbor Boulevard at Sampson Way to one lane with a roundabout 13th Street and provide a roadway connecting Miner and Crescent Streets. The proposed Project and Alternative 2 have unavoidable significant impacts in the areas of Aesthetics; Air Quality; Biological Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. In addition, Alternative 2 would have increased impacts when compared to the proposed Project for Noise and Ground Transportation. While Alternative 2 would satisfy the project objectives, it would result in greater environmental effects than the proposed Project. In addition, Alternative 2 would not fully accomplish the goals of Project Objectives Number 3 and 5. By reducing transportation improvements, the Alternative would not improve vehicular access to and within the Project area, nor would the Alternative improve parking options for the cruise operations.

Alternative 3. As compared to the proposed Project Alternative 3 would reduce the number of Outer Harbor Cruise Berths to one, would reduce Ports O' Call development, and reduce Harbor Boulevard to one lane in each direction with a greenbelt median to become a more local road. While Alternative 3 would have reduced environmental effects in some technical areas as compared to the proposed Project, it would not avoid any significant environmental effects of the proposed Project. The proposed Project and Alternative 3 have unavoidable significant impacts in the areas of Aesthetics; Air Quality; Biological Resources;

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Geology, Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. In addition, Alternative 3 would not accomplish Project Objectives Number 1(f), 2, and 3. Alternative 3 would not support the long-term projected increase in cruise ship passengers and larger vessels, create space for berthing up to four cruise vessels, or create space for berthing of two Freedom/Voyager class vessels simultaneously. Alternative 3 would also possibly not allow for the optimum development of Ports O' Call. By reducing transportation improvements, the Alternative would also not improve vehicular access to and within the Project area.

Alternative 4. As compared to the proposed Project, Alternative 4 would have no Outer Harbor Cruise Berths (but could utilize berths for occasional cruise use), and would eliminate the North Harbor Cut and associated uses. Alternative 4 would have reduced environmental effects and would lessen several significant environmental effects of the proposed Project. However, the proposed Project and Alternative 4 would both have unavoidable significant impacts in the areas of Aesthetics; Air Quality; Biological Resources; Geology, Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. Alternative 4 would not accomplish Project Objective Number 2. Alternative 4 would not support the long-term projected increase in cruise ship passengers and larger vessels, create space for berthing up to four cruise vessels, create space for berthing of two Freedom/Voyager class vessels simultaneously, or enhance navigational safety by eliminating the passage of large cruise ships in the Main Channel.

Alternative 5 (No Federal Action Alternative). As compared to the proposed Project, Alternative 5 would eliminate all of the project elements that would require a federal permit such as harbor cuts, dredging and in-water construction (e.g. the promenade). Alternative 5 has been identified as the Environmentally Superior Alternative since it would reduce the most environmental effects of the proposed Project (but see the No Project Alternative below). While Alternative 5 would reduce environmental effects of the proposed Project it would not meet many of the Project objectives, specifically Project Objectives 1b, 1c, 1e, and 2. Alternative 5 would not support the long-term projected increase in cruise ship passengers and larger ships or allow simultaneous berthing of larger cruise ships, nor would it allow approval of any project elements that would be constructed in the water, such as harbor cuts and the promenade.

Alternative 6 (No Project Alternative). This Alternative is required for consideration under CEQA. The No Project analysis includes the existing conditions, as well as what would be reasonable expected to occur in the foreseeable future if a project were not approved. Existing operations at the project site would continue, and no discretionary approvals would be granted

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for any project elements, although some forecasted growth in cruise operations was included. As discussed in Chapter 5 of the Draft EIR, the No Project Alternative would eliminate significant environmental impacts of the proposed Project and is the environmentally superior alternative under CEQA Guidelines Section 15126.6(e)(2). However, it should be noted that the No Project Alternative does not meet the CAAP requirement for 10 in a million excess residential cancer risk. When the No Project Alternative is identified as the environmentally superior alternative the lead agency must identify another alternative as environmentally superior. As discussed above, the alternative that reduces environmental effects most is Alternative 5, the No Federal Action Alternative. While the No Project Alternative would eliminate many of the Project impacts due to the absence of project construction and operations it would not fulfill any of the Project objectives.

Alternative Summary. While Alternatives 1, 3, 4, 5 and 6 reduce environmental effects when compared to the proposed Project, as discussed in Chapter 6 of the Draft EIR, the proposed Project and Alternatives 1 through 5 have unavoidable significant impacts in the areas of Aesthetics; Air Quality; Biological Resources; Geology; Noise; Recreation; Ground Transportation and Circulation; and Water Quality, Sediments and Oceanography. However, the proposed Project and Alternative 1-4 exceed acute hazard index along Harbor Boulevard. In addition, none of the Alternatives fully meet proposed Project objectives.

For the reasons discussed in the attached Findings of Fact, staff recommends that the Board, (1) find that the No Project Alternative does not meet project objectives; (2) find that Alternatives 1 through 5 do not meet project objectives and/or do not result in reduction or avoidance of environmental effects relative to the proposed Project; and (3) approve the proposed Project as described in Final EIR and summarized in the Proposed Project Summary document (Transmittal 5). The proposed Project best meets all project objectives.

- c. Proposed Mitigation Measures. In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines § 15091, and the information contained in the EIR for the San Pedro Waterfront Development Project, changes or alterations have been required in, or incorporated into, the proposed Project which avoid or substantially lessen the significant adverse environmental impacts identified in the EIR. Where determined feasible, certain of the 94 mitigation measures identified in the Draft EIR were modified/strengthened in the Final EIR (see below and Transmittal 4). Incorporation of additional or more stringent mitigation measures would be infeasible as a result of specific economic, legal, social, technological or other considerations set forth in the Findings of Fact (Transmittal 2).

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- 1) *Aesthetic Measures:* Mitigation measure includes design alternatives on for the Inner Harbor parking structure to minimize impacts on views to the Vincent Thomas Bridge.
- 2) *Air Quality Measures:*
 - i) *Construction:* Mitigation measures include clean construction equipment, fugitive dust requirements, and low sulfur fuel for construction vessels, harbor craft engine standards, fleet modernization for construction trucks, truck staging areas, and best management practices consistent with the Port's sustainable Construction Guidelines.
 - ii) *Operation:* Mitigation measures include Vessel Speed Reduction Program (VSRP), low sulfur fuel, and Alternative Maritime Power (AMP) requirements for ships, new vessel specifications, clean terminal equipment, LNG-powered/low-emission shuttle busses, truck emission standards, AMP emission standards and idling reduction for tugboats and Catalina Express Ferry, throughput tracking at cruise terminal and periodic review of new technology.
- 3) *Greenhouse Gas Measures:* Mitigation measures to reduce greenhouse gas emissions include Leadership in Energy and Environmental Design (LEED) buildings, energy audits, solar panels, tree plantings, increased recycling, compact fluorescent bulbs, land use measures such as promoting public transportation and increasing parks, and solid waste reduction in addition to Air Quality construction measures that reduce diesel combustion emissions.
- 4) *Biology Measures:* Mitigation measures include monitoring and management of turbidity from dredging, nesting bird surveys and avoidance, implementation of slow-start pile driving, and pile driving monitoring to avoid potential effects on marine mammals that could be in the area, and enhancement of Salinas de San Pedro Salt Marsh.
- 5) *Cultural Resource:* Implement a treatment plan to avoid/preserve archaeological resources and conduct data recovery if necessary.
- 6) *Geological Measures:* Project seismic design minimizes effects on people that might be at project facilities during a seismic event and mitigation measures would provide for emergency response planning.

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- 7) Groundwater and Soils: Mitigation measures include remediation of known contaminated sites/facilities prior to construction/use and development of a contingency plan for additional sites encountered during construction.
- 8) Risk: Mitigation measures include removing high flashpoint materials from Mike's Fueling Station and provide adequate buffers around fueling stations.
- 9) Ground Transportation and Circulation: Mitigation measures include a traffic control plan, parking design/reconfiguration including adequate cruise terminal parking, numerous street reconfiguration/modification, signalization, protection of street/Red Car crossings/operations, and provide clear pedestrian signage/markings and new sidewalks.
- 10) Noise: Mitigation measures include construction noise barriers, muffled equipment, idling prohibitions, construction hour limitations and resident notification procedures.
- 11) Utilities and Public Services: Mitigation measures include law enforcement coordination during construction, recycling and reuse of construction materials, AB 939 waste reduction and recycling compliance, water conservation and wastewater reduction measures, and energy conservation measures.
- 12) Recreation: Mitigation measures include maintaining access to waterfront facilities during construction.

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

- MM AES: Measures modified due to adherence to plant palette and design guidelines for the waterfront project.
- MM AQ-3 Fleet Modernization for On-road Trucks – must comply with EPA 2004 on-road emission standards.
- MM AQ-5 Additional Best Management Practices – additional measures were added to reduce the impact of construction activities and emissions from green house gases and particulate matter.
- MM AQ-11: Vessel Speed-Reduction Program – Increase compliance for cruise ships beginning in 2009.

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- MM AQ-12: New Vessel Builds – Design consideration of new builds to meet State Implementation Plan requirements.
- MM AQ-14: LNG Powered Shuttle Buses – Equivalent low-emission vehicles (LEV) may be used if emissions are at or below LNG.
- MM AQ-18 & 21: Engine Standards for Tugboats and Catalina Express Ferry – Strengthening of engine replacement requirements.
- MM AQ 19 & 20: Tugboat and Catalina Express Ferry Idling Reduction – Strengthening by specifying specific idling restriction times.
- MM BIO-4 & 5: Enhance and Expand Salt Marsh. Additional requirements for development of mitigation and monitoring plan, eel grass surveys and avoidance of tern nesting season.
- MM BIO-6: Sediment Disposal – Strengthens need to examine beneficial use of dredge material.
- MM CR-1 & 5: Archaeological Treatment Plan – Strengthens assumption of eligibility of resources, implements a compressed approach for evaluation and treatment of resources and includes National Register eligibility to measure.
- MM CR-3 & 4: Stop Work Requirements – Provides new specific requirements in the event Cultural Resources or human remains are encountered during project construction. Combines CR-3 and CR-4.
- MM NOI-1: Additional Noise Controls – Strengthening of requirements and construction activities must end by 6:00 pm Monday through Saturday; if extended hours (up to 9:00 pm on weekdays) are needed under special circumstances, the contractor will provide at least 72 hours notice to sensitive receptors.
- MM PS-3: Use Material With Recycled Content – Additionally requires CARB approved wood chippers and wood from tree removal be chipped and used for landscape cover.
- MM PS-5: Water Conservation – Strengthened to require use of recycled water for irrigation and toilet flushing.

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d. Unavoidable Significant Adverse Impact. Even after the application of all feasible mitigation efforts, there would still be significant impacts of the San Pedro Waterfront Development Project that could not be reduced or avoided below a level of significance. These impacts are described in the Findings of Fact with findings for each impact. Significant impacts in the following areas could not be mitigated to a level of insignificance.

1) Aesthetics: The proposed Project would result in significant and unavoidable impact on a scenic vista, the Vincent Thomas Bridge, from a designated scenic resource, Harbor Boulevard, due to obstruction caused by construction of the Inner Harbor Cruise Terminal parking structure.

2) Air Quality and Meteorology:

- After mitigation, proposed Project construction emissions would result in significant and unavoidable impacts for the following criteria pollutants: VOCs, CO, NO_x, PM₁₀ and PM_{2.5}. Construction of the proposed Project would exceed the following South Coast Air Quality Management District (SCAQMD) ambient air quality thresholds: NO₂, and PM₁₀ and PM_{2.5} 24-hour standards.
- After mitigation, peak daily operational emissions from the proposed Project would result in significant and unavoidable impacts under CEQA for the following criteria pollutants: VOCs, NO_x, SO_x, PM₁₀ and PM_{2.5}. When combined with 2011 construction emissions, the proposed Project would result in significant and unavoidable impacts under CEQA for the following criteria pollutants: VOCs, CO, NO_x, SO_x, PM₁₀ and PM_{2.5}. The proposed Project would also exceed the following SCAQMD ambient air quality thresholds: CO, PM₁₀ 24-hour period and annual average, and PM_{2.5} 24-hour period.
- The proposed Project does exceed the health risk threshold for residential receptors. Under the proposed Project, residential cancer risk is less than 1 in a million, which is significantly less than the CAAP standard of 10 in a million. The proposed Project would expose certain receptors coming to the project area to higher levels of toxic air contaminants (TACs). Specifically, the proposed Project would result in significant cancer risk impacts (over 10 in a million excess risk) for recreational and occupational receptors. In addition, the proposed Project would result in significant acute health impacts (over a health index threshold of 1) for residential, occupational and recreational receptors.

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Occupational (cancer risk is 16 in a million) and recreational (cancer risk is 25 in a million) cancer risk is largely a result of Diesel Particulate Emissions (DPM) from the proposed Project operations, specifically harbor craft (non-tugs), and mainly due to the proximity of the receptors to the emission sources and the duration of exposure. For example, a recreational receptor is assumed to be exposed for two hours a day, 350 days a year for 70 years with an elevated breathing rate. These assumptions are to ensure protection of the entire population but are not usually representative of an average person's activity level. The residential (health index is 1.10) acute risk is coming mainly from on-road heavy duty vehicles (trucks) along Harbor Blvd. during operation with overlapping construction in the downtown waterfront area being the secondary source. The occupational and recreational (health index is 1.74) acute risk are largely a result of overlapping construction in the downtown waterfront area. The EIR analyzed a worst-case construction schedule to ensure all potential impacts were fully disclosed. As discussed previously and in the Proposed Project Summary document (Transmittal 5), staff is recommending delaying some construction elements.

- The proposed Project would produce GHG emissions that would exceed CEQA baseline levels of zero, resulting in a significant and unavoidable impact under CEQA.
- 3) Biological Resources: Restoration of the Salt Marsh would result in significant short-term impacts on the Salt Marsh habitat. In addition, operation of the proposed Project has the potential to introduce invasive exotic species from ballast water and vessel hulls.
 - 4) Geology: Construction and operation of the project would result in increased exposure of people and property to seismic hazards from a major or great earthquake. This increased exposure cannot be precluded, even with incorporation of modern construction engineering and safety standards.
 - 5) Noise: Construction activities would temporarily and periodically generate noise. Although mitigation measures would reduce impacts resulting from construction noise, it would not be sufficient to reduce the projected temporary increase in the ambient noise level at receptors at surrounding noise-sensitive land uses to a level below significance.
 - 6) Recreation: The construction of the Project would result in temporary loss or diminished quality of existing recreational/visitor-oriented land and water resources along the existing waterfront.

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- 7) Ground Transportation and Circulation: At full build-out, the proposed Project would degrade level of service (LOS) at 3 intersections in 2015 (the intersections of Gaffey and 9th Streets, Gaffey and 1st Streets and Harbor Boulevard and 7th Street) and 10 intersections in 2037 (intersections of Gaffey Street and 9th, 7th, 5th and 1st Streets, Harbor Boulevard and Miner, 7th, 5th and 1st Streets, and Harbor Boulevard and the SR-47 westbound ramp) in the proposed Project area and would degrade LOS in surrounding neighborhood roadways at 17th Street between Centre and Palos Verdes Street. While thirteen mitigation measures were identified to reduce impacts, no feasible measures were identified that would fully mitigate the impacts listed above to less-than-significant levels for all analysis periods due to existing physical constraints at those locations due to unavailable right-of-way to improve capacity or reduce volume.
- 8) Water Quality, Sediments and Oceanography: Operation of proposed Project facilities could create pollution and/or contamination in harbor water due to possible in-water vessel spills and potential leaching of hull paint biocides.
- 9) Cumulative Impacts: The incremental effects of the proposed Project, when viewed in connection with the effects of past, present and probable future projects, would be significant and unavoidable in following resource areas:
- Aesthetics
 - Air Quality (Construction and Operations)
 - Biological Resources
 - Cultural Resources
 - Geology
 - Noise
 - Recreation
 - Ground Transportation and Circulation
 - Water Quality, Sediments and Oceanography
- e. Environmental Justice. An Environmental Justice (EJ) analysis was prepared (Draft EIR Chapter 5). The proposed Project area would be located in the Port and adjacent to the San Pedro Community. Within San Pedro, minorities constitute 55.3 percent of the population, and low-income persons constitute 22.5 percent of the population. Thus, San Pedro constitutes a “minority population concentration” under the Council on Environmental Quality (CEQ) guidance because the guidance indicates such a concentration exists if the

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percent minority exceeds 50 percent. Due to the proximity of the proposed Project to existing EJ communities, the proposed Project would have a disproportionately high and adverse impact on minority and low-income populations within the geographical area due to the significant direct and cumulative environmental effects on Air Quality (construction emissions and exposure to diesel particulate matter (DPM) and other toxic air contaminants (TAC)), Noise (construction), Recreation, and Ground Transportation and Circulation.

11. Overriding Considerations - Pursuant to Public Resources Code § 21081 and CEQA Guidelines § 15093, no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects that would occur if the project is approved or carried out unless the public agency make findings with respect with each significant effect and finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the unavoidable significant effects of the project. The findings may include (1) changes or alterations have be included which mitigate or avoid the significant effects; (2) the changes are within the jurisdiction and responsibility of another public agency; (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures. The Statement of Overriding Considerations must identify the specific reasons to support the action based on the Final EIR. The draft Findings of Fact and Statement of Overriding Considerations recommended by staff is transmitted for Board consideration and adoption (Transmittal 2). Staff, in recommending the proposed Project for approval, has identified specific environmental, economic, legal, social, technological and other Project benefits. In summary, the proposed Project provides the following benefits, which will outweigh the unavoidable adverse environmental effects of the project:

- Enhances Maritime Uses. Fulfills Port legal mandates and objectives of the Tidelands Trust granted to the City of Los Angeles including commerce, navigation, fisheries, public buildings and public recreational facilities, wildlife habitat and open space. Further the proposed Project would increase public access to the water by bringing the water's edge closer to the community, providing a waterfront promenade and providing linkages to the San Pedro Community and providing regional and national access to cruise terminal.
- Provides New Construction and Long Term Employment. The Project is expected to generate 14,301 construction related jobs due to public spending. These include direct employment of 7,416 workers and an additional 6,885 jobs indirectly related to project construction. The Project is expected to generate 6,055 construction related jobs due to private spending. These include direct employment of 2,523 workers and an additional 2,376 jobs indirectly related to

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project construction. Total employment in the Los Angeles Area attributable to project operations would be 5,660 in 2037. The cruise ship industry in the Port would generate 4,100 jobs in 2037 in the Los Angeles Area. Of these 4,100 jobs, approximately 2,400 would be new as compared to 2009 levels. It is estimated that at least 45 percent of these jobs would be in the Harbor area. New commercial development is expected to generate 802 new jobs.

- Provides New Tax Revenue. The project is expected to generate \$95.4 million in local and regional tax revenues associated with construction activities. Project operations at full build-out and utilization are expected to generate \$30.3 million each year in local and regional tax revenues.
- Increases Non-vehicular Access to Waterfront. The project enhances and revitalizes the existing San Pedro Waterfront area by removing visual and physical barriers that currently inhibit access to the water's edge, and improves existing waterfront attractions and infrastructure. Non-vehicular access is increased through creation of new pedestrian corridors including the continuous promenade, bike path, connections to the California Coastal Trail and creation of destination landmarks. Signage and hardscape treatment would be used to enhance access.
- Promotes Sustainability. The proposed Project furthers the Port's Sustainability Program, Engineering Design Guidelines, Green Building Policy, Clean Air Action Plan, Water Resources Action Plan, Sustainable Engineering and Construction Guidelines and the Mayor's Executive Directive No. 10, Sustainable Practices in the City of Los Angeles. Sustainable design features include use of recycled water for maintenance, landscaping, water features and sanitation; utilization of drought tolerant plants and shade trees, installation of solar power into new development, minimum LEED Silver certification for all new development over 7,500 square feet, LEED Gold certification for Outer Harbor Cruise Terminals, and pedestrian and bike connections.
- Creates New Open Space. The proposed Project creates more open space and connects existing open space along the waterfront. Approximately 29.8 acres of new parks would be created, including the Fishermen's Park (3 acres), San Pedro Park (18 acres), Outer Harbor Park (6 acres), and the Town Square (2.8 acres). Open spaces would be linked by the waterfront promenade and Waterfront Red Car Line.
- Reduces Cruise Terminal Air Emissions. Implementation of CAAP measures to cruise ships will reduce existing air emissions associated with cruise ships and create a world-class "green" cruise ship facility. This includes compliance with

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the Vessel Speed Reduction Program, use of shore-side electricity for cruise ships (AMP), use of low sulfur fuel and low-emission-vehicle cargo handling equipment and parking shuttle buses.

12. Areas of Controversy - In making their determinations, it is important for the Board to be informed as to the areas of controversy associated with the proposed Project. The areas of controversy have been identified through oral and written comments received on the project during public meetings and stakeholder meetings. The list below provides the identified areas of concern that staff believes remain controversial.

- Need for Outer Harbor Cruise Terminal. Comments were received stating that the proposed Outer Harbor Cruise Terminal should not be implemented because there is no forecasted need for the new berths, it would detract from downtown San Pedro revitalization (see below), would result in recreational boating impacts, is an aesthetic impact and the area should be reserved for recreation uses. Staff believes that there is long-term need for enhanced cruise facilities, and an Outer Harbor Cruise Terminal is needed due to inadequate berth length at the Inner Harbor. An Outer Harbor Cruise Terminal will improve navigation safety along the Main Channel, maintain our competitive position in the cruise market, and provide local and regional economic benefits. However, staff is recommending the highest priority be given to investment in the downtown cruise terminal before investment in the Outer Harbor Cruise Terminal, with initial construction of only one berth in the Outer Harbor and construction of a second berth only when market conditions dictate. The EIR did not identify significant effects to Aesthetics, Recreation (recreational boating) or Land Use from location of a cruise berth in the Outer Harbor. The environmental effects of the proposed Project in these areas are fully disclosed in the EIR.
- One Outer Harbor Cruise Terminal on the east side of Kaiser Point. In addition to the comments received above regarding no cruise terminal or berths in the Outer Harbor, the LAHD has also received comments to only build one cruise berth at the Outer Harbor at Berths 49-50 and eliminate the cruise berth at Berth 45-47, closest to Cabrillo Beach. These comments are mainly in regards to concerns that 1) recreational boaters will not be able to access the Cabrillo Marina when the cruise ship is at berth at Berth 45-47; 2) aesthetic impacts of a cruise ship near Cabrillo Beach and 3) the presence of a cruise terminal in this location impacts the recreational use as a whole of the area; some commenters view the cruise facilities as an industrial use not compatible with the waterfront. Regarding access to the West Channel Marinas, the Outer Harbor Cruise Terminal would incorporate a secured and movable floating security barrier to reduce the zone required to be kept clear of recreational boats around the

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cruise ship. A secured security barrier would be located perpendicular to Berths 45-47. The movable floating security barrier would extend from the secured barrier and be located parallel to the cruise ship after the cruise ship is docked. The 25-yard floating security barrier would maintain the waterside security of the docked cruise ship, while allowing approximately 155 yards (465 feet) of available space for recreational boaters to access the marinas when a cruise ship is at berth. Use of the floating security barrier is contingent upon approval of a final facility security plan by the US Coast Guard. In the event that the floating security barrier is not approved, a 100-yard security zone around the berthed cruise ship would be required and 80 yards (240 feet) of available space to access the West Channel marinas would be provided.

- *Downtown San Pedro Revitalization.* Comments were received stating that the Outer Harbor Cruise Terminal, overdevelopment of Ports O' Call and lack of direct infrastructure development to downtown would detract from the revitalization of the downtown San Pedro businesses. Staff believes that while the cruise business provides significant economic benefit to businesses in San Pedro and the region, the location of the cruise terminal along the waterfront is not the determining factor in the success of downtown San Pedro. Staff believes that the public infrastructure, particularly the continuous promenade, the downtown waterfront (harbors, pier and plaza) and redevelopment of Ports O' Call are the important contributors to the revitalization of downtown San Pedro. The scale of the project's commercial development has been greatly reduced from earlier project designs and provides a balanced mix of development, public waterfront access and open space. Staff recommends retaining the 300,000 square feet as a maximum build-out size for retail and restaurant uses to provide prospective developers flexibility to construct a regional attraction larger than the original size of Ports O' Call. Developers are not likely to propose to build more than the market can sustain. While direct infrastructure improvements (e.g., the Red Car) to downtown San Pedro are not included as part of the proposed Project, staff will work with City Planning, the Community Redevelopment Agency (CRA), Los Angeles Department of Transportation, San Pedro Chamber of Commerce, and others in the implementation of such improvements, since they would also contribute to the success of the waterfront development.
- *Retention of Selected Successful Ports O' Call Businesses.* Comments were received stating that the redevelopment of Ports O' Call in the proposed Project would eliminate or detract from existing prosperous businesses. Selected successful businesses within Ports O' Call would be retained and relocated during redevelopment. The LAHD would require that the master developer ensure that disruption to the operations of these key businesses during construction was minimized.

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- Waterfront Parking. Comments were received that general parking and cruise parking should be minimized along the waterfront. Staff agrees, but the proposed Project must include adequate parking for anticipated activities along the waterfront, and there are currently no opportunities (e.g. remote cruise terminal structures) for shared parking available except for our existing MOU with the CRA for the Caltrans site. LAHD remains open to exploring other parking options). However, as provided above, staff is not recommending parking structures in the Outer Harbor and is recommending deferral of the Inner Harbor Cruise Terminal Parking Structure until absolutely needed. In addition, staff will work with others, such as the CRA towards the development of shared waterfront and downtown San Pedro visitor parking.
 - Choice Among Alternatives and "Sustainable Waterfront Plan". During preparation of the Draft EIR, a "Sustainable Waterfront Plan" was recommended for inclusion as a Project Alternative. This plan focuses on open space and pedestrian access and is most like Project Alternative 4, as it has no Outer Harbor Cruise Terminal. The six Alternatives with 36 project components, which were coequally analyzed in the EIR, constitute a reasonable range of alternatives. The environmental analysis permits the decision makers to make a reasoned choice regarding approval of the proposed Project or one of its Alternatives, approval with modifications, or disapproval of the proposed Project. Further, the Sustainable Waterfront Plan influenced staff to ensure that key non-vehicular access elements have become clearly identified elements of the proposed Project included in all Project Alternatives. Further, the LAHD's own sustainability program is incorporated into the proposed Project including use of recycled water, solar panels, LEED certified buildings, Engineering Design Guidelines, Engineering and Construction Sustainable Guidelines, low emission shuttle buses, and Clean Air Action Plan measures for the cruise ships.
13. EIR Certification and Project Approval - In light of these findings and conclusions, staff recommends certification of the Final EIR, prepared in accordance with CEQA and implementing guidelines, and recommends approval of the proposed Project, all feasible mitigation measures, and the supporting Findings of Fact and Statement of Overriding Considerations, and MMRP.
14. Implementation of Mitigation - When making the CEQA findings required by Public Resources Code §21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code § 21081.6 for changes to the project, which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment. A MMRP is transmitted for Board consideration and adoption (Transmittal 3, see Recommendation 8). In

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Alternative, the mitigation measures identified in the MMRP with respect to the approved Project or Alternative would be incorporated into all design specifications and construction contracts.

15. Record of Proceedings - When making CEQA findings required by CEQA Guidelines § 15091(e), the public agency shall specify the location and custodian of the documents or other material, which constitute the record of proceedings upon which its decision is based. These records are in the care of the Director of Environmental Management, Los Angeles Harbor Department, 425 South Palos Verdes Street, San Pedro, California 90731.
16. Notice of Determination - In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines Section 15094, a Notice of Determination will be filed with the City Clerk after the project is approved. Public Resources Code § 21167(c) provides that any action or proceeding alleging that an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the Notice of Determination.

ECONOMIC BENEFITS:

Public construction spending under this proposed Project would result in 7,416 one-year equivalent direct jobs and 6,885 one-year equivalent indirect jobs through the construction period. Private construction spending under the proposed Project would result in up to 2,523 direct construction jobs and 2,376 indirect construction jobs. These workers would receive an annual pay for direct and secondary jobs estimated at approximately \$43,500 per job. Implementation of the proposed Project would result in 3,060 ongoing direct jobs and 2,600 indirect jobs in its final build-out phase, paying wages of approximately \$34,500 per job.

FINANCIAL IMPACT:

Certification of the FEIR and approval of the proposed Project does not have a financial impact upon the LAHD. However, these actions would pave the way for implementation of the proposed Project at an estimated capital cost of \$1.225 Billion through 2037. Incremental revenue inflows resulting from the construction and completion of the proposed Project, including Ports O' Call, is unknown at this time but will be estimated when brought before the Board at a future date.

The proposed Project is also expected to benefit the LAHD by promoting water-oriented commerce, navigation and recreational activities in conformance with the State Tidelands Trust Act. Any proposed actions discussed herein other than certification of

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the Final EIR and approval of the proposed Project will be brought before the Board under separate actions at a future date.

CITY ATTORNEY:

This Resolution has been reviewed and approved as to form by the Office of the City Attorney.

TRANSMITTALS:

1. Final Environmental Impact Report (FEIR)
2. Draft Findings of Fact and Statement of Overriding Considerations
3. Draft Mitigation Monitoring and Reporting Program (MMRP)
4. Draft Mitigation Measure List
5. Final Proposed Project Summary: Recommendation from Staff
6. San Pedro Waterfront Proposed Project, Cost Estimates for Public and Private Investment



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



MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

RGA:LM:JGR
ADP No. 041122-208
BOARD MEETING: 9/29/09

FILE: G:_ADMIN_BOARD REPORTS_CEQA\EIRs\SAN PEDRO WATERFRONT\FEIR\SPW FEIR - FINAL.docx

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