



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: NOVEMBER 6, 2014**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - FINAL ENVIRONMENTAL  
IMPACT REPORT FOR THE BERTHS 212-224 YUSEN TERMINALS,  
INC. [YTI] CONTAINER TERMINAL IMPROVEMENTS PROJECT (APP  
NO. 130204-020; SCH NO. 2013041017)**

**SUMMARY:**

Staff recommends that the Board of Harbor Commissioners (Board) certify the Final Environmental Impact Report (EIR) for the Berths 212-224 [YTI] Container Terminal Improvements Project (proposed Project) in accordance with the California Environmental Quality Act (CEQA) and approve the proposed Project. As the proposed Project requires federal permits from the United States Army Corps of Engineers (USACE), the document was prepared as a joint Environmental Impact Statement (EIS)/EIR per the requirements of CEQA and the National Environmental Policy Act (NEPA). The USACE will consider approval of the EIS in their decision to grant permits for the proposed Project.

The proposed Project would improve marine shipping and commerce at the existing Yusen Terminals, Inc. (YTI) Terminal located at Berths 212-224 on Terminal Island. The proposed Project involves improvement of an existing container terminal to accommodate the projected fleet mix of larger container vessels (up to 13,000 twenty-foot equivalent units (TEUs)) that are anticipated to call at the YTI Terminal through 2026. The proposed Project consists of deepening two existing berths (Berths 217-220, which is currently not in operation, and Berths 214-216, which is currently in operation), which would add an additional operating berth to the YTI Terminal, extending the 100-foot gauge crane rail to Berths 217-220, adding a single operational rail track to the Terminal Island Container Transfer Facility (TICTF) on-dock rail, modifying and replacing cranes, and constructing backland improvements. The proposed Project would increase the capacity of the YTI Terminal from 1,692,000 TEUs annually to 1,913,000 TEUs annually, an increase of 221,000 TEUs. Improvements at the other operating berth (Berths 212-213) would be limited to backlands repairs and crane modifications.

In this action, the Board will need to consider and certify the Final EIR, including errata, make specific Findings of Fact (FOF) regarding the significant environmental impacts of the proposed Project and mitigation measures to reduce or avoid such impacts, adopt a

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Statement of Overriding Considerations (SOC), and adopt a Mitigation Monitoring and Reporting Program (MMRP) to track mitigation. With the application of mitigation measures and lease measures, significant and unavoidable impacts from the proposed Project remain related to air quality and meteorology, including operational and marina-based residential health risk, biological resources, greenhouse gas emissions, and cumulative impacts. Aside from mitigation and lease measures that are the responsibility of the tenant as outlined in the MMRP (Transmittal 3) and in the errata (Transmittal 4), the proposed Project is the financial responsibility of the Harbor Department.

Through discussions with agencies and organizations that provided comments on the Final EIR, recommendations for actions going forward have been developed. These recommended actions are as follows; (1) increase dialogue with community stakeholders; (2) develop programs for zero emission technologies, energy strategies, and greenhouse gas (GHG) reduction strategies; and (3) investigate and make recommendations regarding the development of a local-investment GHG grant program.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Certify that the Final Environmental Impact Report for the Berth 212-224 [YTI] Container Terminal Improvements Project, including errata: (a) has been completed in compliance with the California Environmental Quality Act (Public Resources Code §21000 et seq.), with the California Environmental Quality Act Guidelines (14 Cal. Code Regs. §15000 et. seq.), and the City of Los Angeles California Environmental Quality Act Guidelines; (b) was presented to the Board of Harbor Commissioners for review and the Board of Harbor Commissioners considered the information contained in the Final Environmental Impact Report prior to approving the Berth 212-224 [YTI] Container Terminal Improvements Project; and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department, and that all required procedures have been completed;
2. Adopt the Findings of Fact and Statement of Overriding Considerations;
3. Find that, in accordance with the information contained in the Final Environmental Impact Report (including errata), the Berth 212-224 [YTI] Container Terminal Improvements Project will have significant environmental effects on Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, and Cumulative Impacts; as defined by Public Resources Code Sections 21068, 21080, 21082.2, and 21083 and the State California Environmental Quality Act Guidelines, Sections 15064, 15064.4, 15064.5, and 15382;

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4. Find that, in accordance with the provisions of the California Environmental Quality Act Guidelines Section 15091(a)(1), changes or alterations have been required in, or incorporated into, the Berth 212-224 [YTI] Container Terminal Improvements Project, which substantially lessen or avoid the significant adverse environmental impacts identified in the Final Environmental Impact Report;
5. Find that in accordance with the provisions of the California Environmental Quality Act Guidelines Section 15091(a)(3), specific economic, legal, social, technological, or other considerations, make infeasible certain mitigation measures and Alternatives identified in the Final Environmental Impact Report. Impacts to Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, and Cumulative Impacts remain significant and unavoidable even after all feasible mitigation is adopted;
6. Find that, all information added to the Final Environmental Impact Report after public notice of the availability of the Draft Environmental Impact Report for public review but before certification merely clarifies, amplifies, or makes insignificant modifications in an adequate Environmental Impact Report and recirculation is not necessary;
7. Find that, in accordance with Public Resources Code Section 21081(b) and California Environmental Quality Act Guidelines Section 15093, the benefits of the Berth 212-224 [YTI] Container Terminal Improvements Project outweigh the significant and unavoidable environmental impacts, and adopt the Findings of Fact and Statement of Overriding Considerations;
8. Find that, in accordance with the TraPac Memorandum of Understanding No. 09-3764, the City of Los Angeles Harbor Department's contribution to the Port Community Mitigation Trust Fund for the Berth 212-224 [YTI] Container Terminal Improvements Project is \$773,500;
9. Adopt the Mitigation Monitoring and Reporting Program as required by Public Resources Code, Section 21081.6. The Mitigation Monitoring and Reporting Program is designed to ensure compliance with the mitigation measures, lease measures, and standard conditions adopted to mitigate or avoid significant effects on the environment, pursuant to and identifies the responsibilities of the City of Los Angeles Harbor Department, as lead agency, to monitor and verify project compliance with those mitigation measures, lease measures, and standard conditions;
10. Approve the Berth 212-224 [YTI] Container Terminal Improvements Project identified in the Environmental Impact Report including all feasible mitigation measures and

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lease measures with consideration of the Findings of Fact and Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program;

11. Direct the Real Estate Division to incorporate by reference the Environmental Impact Report, mitigation measures, lease measures, and Mitigation Monitoring and Reporting Program into any and all lease agreements or assignments encompassed in the approved Project;
12. Authorize the Environmental Management Division to file the Notice of Determination with the Los Angeles County Clerk, the Los Angeles City Clerk, and the State Secretary of Resources; and
13. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – The proposed Project would improve an existing container terminal to allow it to accommodate larger vessels. The fleet mix of vessels calling at the Port of Los Angeles (Port) is trending toward larger vessels as shipping lines continue to increase the size of the vessels they are building. As many terminal berths and cranes within the Port and across the country were not designed to handle vessels of the size that are projected to enter the fleet mix over time, modifications to these facilities and equipment are necessary to allow for the efficient servicing of these vessels. The fleet mix of the YTI Terminal is expected to include vessels of up to 13,000 TEUs through the end of the terminal's lease in 2026. The proposed Project would complete modifications to the terminal to allow them to efficiently service vessels up to 13,000 TEUs.

CEQA Objectives - The primary CEQA objectives of the proposed Project are:

1. Optimize the use of existing land at the YTI Terminal and associated waterways in a manner that is consistent with the City of Los Angeles Harbor Department's (Harbor Department) tidelands trust obligations;
2. Provide sufficient water depth to ensure the terminal's ability to accommodate larger container ships of up to 13,000 TEUs that are anticipated to call at the terminal through 2026;
3. Improve the container terminal berthing facilities at the YTI Terminal to accommodate the berthing and loading/unloading of the larger ships up to 13,000 TEUs that are anticipated to call at the terminal through 2026;

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4. Increase on-dock rail facilities to accommodate projected daily peak increases in container movement into and out of the YTI Terminal resulting from the handling of larger ships; and
5. Improve the container terminal backlands to minimize ongoing needs for pavement repair and maintenance.

Project Description - The proposed Project would be constructed in two phases over an approximately 22-month schedule, and is expected to begin in mid-2015. Phase I is expected to last approximately 12 months and would consist of deepening Berths 217–220 (including installation of sheet piles), extending the 100-foot gauge crane rail, expanding the TICTF, relocating two Harbor Department-owned cranes, relocating and realigning two YTI cranes, delivering and installing up to four new cranes, raising and extending up to six YTI cranes, and conducting backland surface improvements. Phase II is expected to take approximately 10 months and would involve deepening Berths 214–216 (including installation of king piles and sheet piles) and conducting backland surface improvements. No physical changes would occur at Berths 221–224 except for paving work in the backland area and improvements at the other operating berth (Berths 212-213) would be limited to backlands repairs and crane modifications. The improvements to Berths 217–220, including the extension of the 100-foot gauge crane rail, would add a new operating berth at the YTI Terminal (currently at two operating berths, three after implementation of the proposed Project). Project components are as follows:

- Extending the height and outreach of up to six existing cranes;
- Replacing up to four existing non-operating cranes;
- Dredging and installing sheet piles and king piles at Berths 214–216 and 217–220;
- Extending the existing 100-foot gauge landside crane rail to Berths 217–220;
- Performing ground repairs and maintenance activities in the backland area; and
- Expanding the TICTF on-dock rail by adding a single operational rail track.

These improvements would enable the terminal to accommodate the projected fleet mix of larger container ships (up to 13,000 TEUs) that are anticipated to call at the terminal through 2026, and would increase the capacity of the terminal from 1,692,000 TEUs to 1,913,000 TEUs annually, an increase of 221,000 TEUs.

**ENVIRONMENTAL ASSESSMENT:**

CEQA Responsibilities - The Harbor Department is the CEQA lead agency for the proposed Project. As such, the Board is responsible for reviewing and considering the Final EIR and, at its discretion, certifying that the Final EIR has been completed in accordance with CEQA, the State CEQA Guidelines, and the Los Angeles City CEQA

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Guidelines; has been presented to the Board for review and the Board considered the information contained in the Final EIR, and that it reflects the independent judgment and analysis of the Harbor Department. Certification of the Final EIR must precede the proposed Project approval. Project approval requires that the Board review and consider the Final EIR; adopt the FOF (Transmittal 2) on the significant environmental effects and the feasibility of mitigation measures and alternatives; adopt a SOC (included in Transmittal 2); and adopt a MMRP (Transmittal 3).

Scope and Content of Environmental Document - The Draft EIR, dated May 2014, incorporates, as appropriate, information received on the Notice of Preparation (NOP) for the proposed Project, assesses environmental impacts of the proposed Project, and analyzes alternatives and mitigation measures to reduce or avoid significant environmental effects. The Final EIR clarifies and amplifies the Draft EIR, incorporates insignificant modifications and corrections, contains responses to all public comments made on the Draft EIR, and contains records of the public process.

Intended Uses of the EIR - The EIR informs public agency decision-makers and the general public of the significant environmental effects of the proposed Project, recommends mitigation measures to minimize the significant effects, and describes a reasonable range of alternatives to the proposed Project. This document assesses the potential impacts, including unavoidable adverse impacts and cumulative impacts, related to the proposed Project. This EIR is also intended to support future discretionary actions of the Board and the permitting/approval process of all agencies whose discretionary approvals must be obtained for particular elements of this Project. For the Harbor Department, these actions include but are not limited to: issuance of a coastal development permit, issuing of engineering permits, and lease amendments.

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

1. Notice of Preparation (NOP). In accordance with the Los Angeles City CEQA Guidelines, Article VI, Section 1.5 and the State CEQA Guidelines, Section 15082 the responsible agencies, participating City agencies, and other concerned parties were consulted through an NOP released on April 5, 2013 and public scoping meeting held on April 23, 2013 in the Board Room. No comments were received during the scoping meeting and a total of ten comment letters were received from various agencies and the public during the comment period, which closed on May 20, 2013.

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Copies of the NOP were available for review online at [www.portoflosangeles.org](http://www.portoflosangeles.org), at the City of Los Angeles Harbor Department Environmental Management Division office, and at the Los Angeles San Pedro Branch and Wilmington Branch Libraries.

2. Draft EIR. The Draft EIR was released for public review on May 2, 2014. It was made available on the Port of Los Angeles website, at local libraries, and mailed directly to over 100 interested parties. The 45-day comment period closed on June 16, 2014.

Public notices of availability stating that the Draft EIR was available for review were published in six newspapers: Los Angeles Times, Torrance Daily Breeze, Long Beach Press Telegram, Random Lengths, Metropolitan News Enterprise and La Opinion.

Copies of the Draft EIR were available for review during this period at the Harbor Department Environmental Management Division office, the Los Angeles City Main Library, San Pedro Branch Library and Wilmington Branch Library. The document was also available online at the Port of Los Angeles website (<http://www.portoflosangeles.org>).

A public hearing was held on May 20, 2014 in the Board Room to present the findings of the environmental analysis and accept oral comments. One oral comment was received at the public hearing.

A total of 16 written comments were received from various agencies and the public during the public comment period.

3. Responses to Comments. As required by Public Resources Code Section 21092.5, all agencies, organizations, and individuals who commented on environmental issues in the Draft EIR were provided with responses to comments at least 10 days prior to the Final EIR being submitted to the Board for certification.
4. Final EIR. In accordance with the Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines, Section 15088, comments received on the Draft EIR were evaluated. The comment letters and responses to comments, along with minor modifications to the Draft EIR are presented in the Final EIR. The Final EIR was completed in October 2014.

Findings and Conclusions - The Final EIR, FOF and SOC, transmitted herewith, identify major findings and conclusions, including a discussion of areas of environmental concern, alternatives, feasible mitigation measures, and unavoidable impacts. The discussion below summarizes the proposed Findings included in Transmittal 2 for the Board's consideration.

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1. Areas of Environmental Concern. Through the public environmental review process the following areas of environmental concern were identified. These potential impacts and others were assessed in the Final EIR. The impacts associated with the proposed Project are discussed in detail, by resource area, in the Final EIR. Prior to mitigation, the following environmental resource areas were found to be significant: Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, Groundwater and Soils, Noise, and Cumulative Impacts. After mitigation is applied, significant and unavoidable impacts remain related to Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, and Cumulative Impacts. The proposed Project would also result in disproportionate environmental effects on minority and low-income populations as a result of the significant and unavoidable impacts to Air Quality and Meteorology discussed above.
  
2. Alternatives. A total of six alternatives to the proposed Project were considered during preparation of the EIR, which included the No Project Alternative, the No Federal Action Alternative, the Reduced Project (Improve Berths 217-220 Only) Alternative, the Reduced Project (12 Operational Cranes) Alternative, and the Proposed Project with Expanded On-Dock Rail Alternative. Of these, three alternatives were considered to be feasible and carried forward for further analysis. These alternatives included:
  - a) No Project Alternative. Under the No Project Alternative, none of the proposed construction activities would occur in water or in water-side or backland areas. The Harbor Department would not implement any terminal improvements. No new cranes would be added and no dredging would occur. The No Project Alternative would not include the 100-foot gauge crane rail extension, expansion of the TICTF on-dock rail yard, or backland repairs. Under the No Project Alternative, the existing YTI Terminal would continue to operate as an approximately 185-acre container terminal where cargo containers are loaded to/from vessels, temporarily stored on backlands, and transferred to/from trucks or on-dock rail. Based on throughput projections for the Port, the YTI Terminal under the No Project Alternative is expected to operate at its existing capacity of approximately 1,692,000 TEUs in 2026.
  
  - b) No Federal Action Alternative. Evaluation of the No Federal Action Alternative is required by the NEPA and includes only the activities and impacts likely to occur absent further U.S. Army Corps of Engineers (USACE) federal approval but could include improvements that require a local action. The No Federal Action Alternative includes only backlands improvements consisting of slurry sealing, deep cold planing, asphalt concrete overlay, restriping, and removal, relocation, or modification of any underground conduits and pipes necessary to complete the repairs. These activities would not change the capacity of the existing terminal. The site would continue to operate as an approximately 185-acre

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container terminal where cargo containers are loaded to/from vessels, temporarily stored on backlands, and transferred to/from trucks or on-dock rail. Based on the throughput projections, the No Federal Action Alternative is expected to operate at its capacity of approximately 1,692,000 TEUs by 2026.

- c) Reduced Project (Improve Berths 217-220 Only) Alternative. The Reduced Project Alternative includes improving Berths 217–220 and expanding the TICTF on-dock rail facility. This alternative does not include dredging and pile driving at Berths 214–216. The following components of the proposed Project would also occur under the Reduced Project Alternative:

- modifying up to six existing cranes;
- replacing up to four existing non-operating cranes;
- 6,000 cubic yards (cy) of dredging from a depth of -45 to -47 feet mean lower low water (MLLW) (with an additional two feet of overdredge depth, for a total depth of -49 feet MLLW), and installing 1,200 linear feet of sheet piles and king piles to support and stabilize the existing wharf structure at Berths 217–220;
- disposal of dredged material at LA-2, the Berths 243–245 Confined Disposal Facility, or another approved location;
- extending the existing 100-foot gauge landside crane rail through Berths 217–220;
- performing ground repairs and maintenance activities in the backlands area; and
- expanding the TICTF on-dock rail by adding a single loading track.

Under this alternative, there would be three operating berths after construction, similar to the proposed Project, but Berths 214–216 would remain at their existing depth. This alternative would require less dredging (by approximately 21,000 cy) and pile driving and a shorter construction period than the proposed Project. Based on the throughput projections, this alternative is expected to operate at its capacity of approximately 1,913,000 TEUs by 2026, similar to the proposed Project. However, while the terminal could handle similar levels of cargo, the Reduced Project Alternative would not achieve the same level of efficient operations as achieved by the proposed Project. This alternative would not accommodate the largest vessels (13,000 TEUs). The depth achieved at Berths 217–220 would only be capable of handling vessels up to 11,000 TEUs, requiring additional vessels to call on the terminal to meet future growth projections up to the capacity of the terminal.

3. Environmentally Superior Alternative. CEQA requires identification of the Environmentally Superior Alternative. The Environmentally Superior Alternative was determined based on a ranking system that assigned numerical scores comparing

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the impacts under environmental resource areas for each alternative. Only resource areas with significant impacts before mitigation were considered. The scoring system ranged from -2 if impacts are considered to be substantially less compared to the proposed Project, to +2 if impacts are considered to be substantially greater compared to the proposed Project. Chapter 6 of the Draft EIR presents the scoring system and rankings for the proposed Project and alternatives.

Based on the analysis described above, the No Project Alternative would have the fewest impacts relative to the proposed Project, with impacts either somewhat or substantially less in Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, Groundwater and Soils, and Noise. The CEQA Guidelines, Section 15126.6(e) requires that in cases where the No Project Alternative is determined to be the environmentally superior alternative, another alternative must be identified as environmentally superior. The No Federal Action Alternative has impacts that were either substantially less, somewhat less or equal to the proposed Project for all significant resource areas. Therefore, the No Federal Action Alternative would be the Environmentally Superior Alternative.

The No Federal Action Alternative would result in reduced environmental impacts in the resource areas related to Air Quality and Meteorology, Biological Resources, Greenhouse Gas Emissions, and Noise as compared to the proposed Project because this alternative would only involve minor backland repairs for the construction component and would not increase the capacity of the terminal. However, it would not meet the proposed Project objectives of accommodating the projected fleet mix of larger container vessels (up to 13,000 TEUs) that are anticipated to call at the YTI Terminal through 2026.

For the reasons discussed in the attached FOF, staff recommends that the Board: 1) find Alternatives 1 through 3 do not meet Project objectives and/or do not result in reduction or avoidance of environmental effects relative to the Project; and 2) approve the proposed Project as described in the Final EIR. The proposed Project best meets all Project objectives.

4. Proposed Mitigation Measures. In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines Section 15091, and the information contained in the EIR, changes or alterations have been required in, or incorporated into, the proposed Project in the form of feasible mitigation which substantially lessen or avoid significant adverse environmental impacts identified in the EIR. Certain mitigation measures were modified/strengthened based on public comments received on the Draft EIR. Incorporation of additional mitigation measures beyond those identified in the Final EIR would be infeasible as a result of specific economic, legal, social, technological or other considerations set forth in the FOF.

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Mitigation measures contained in the EIR would be incorporated as appropriate in permits, such as, engineering specifications, engineering construction permits, real estate entitlements, and/or coastal development permits for the proposed Project. A summary list of mitigation measures is included below. The list also includes lease measures, identified as "LM", and a standard condition, Identified as "SC", that are consistent with the Harbor Department's leasing requirements and are included here for tracking and reporting purposes. These measures are described in more detail in the MMRP (Transmittal 3).

Air Quality and Meteorology

- MM AQ-1: Crane Delivery Ships Used during Construction.
- MM AQ-2: Harbor Craft Used during Construction
- MM AQ-3: Fleet Modernization for On-Road Trucks Used during Construction
- MM AQ-4: Fleet Modernization for Construction Equipment
- MM AQ-5: Electric Dredging Equipment
- MM AQ-6: Construction Best Management Practices
- MM AQ-7: Additional Fugitive Dust Controls
- MM AQ-8: General Mitigation Measure
- MM AQ-9: Vessel Speed Reduction Program (VSRP)
- MM AQ-10: Alternative Maritime Power (AMP)
- LM AQ-1: Periodic Review of New Technology and Regulations
- LM AQ-2: Substitution of New Technology by Tenant
- LM AQ-3: Container Ship Engine Emissions Reduction Technology Improvements
- LM AQ-4: Zero or Near-Zero Emissions Demonstration Project

Biological Resources

- MM BIO-1: Avoid Marine Mammals

Cultural Resources

- SC CR-1: Stop Work in the Area if Prehistoric and/or Archaeological Resources are Encountered

Greenhouse Gas Emissions

- MM GHG-1: Energy Audit
- MM GHG-2: LED Lighting
- MM GHG-3: Recycling
- MM GHG-4: Carbon Offsets for Certain GHG Emissions

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Groundwater and Soils

- MM GW-1: Soil Sampling, Testing, and Treatment
- MM GW-2: Contamination Contingency Plan

Noise

- MM NOI-1: Noise Reduction during Pile Driving
- MM NOI-2: Erect Temporary Noise Attenuation Barriers Adjacent to Pile-Driving Equipment or Employ Temporary Shields to the Pile-Driving Equipment, Where Necessary and Feasible

Utilities and Service Systems

- MM UT-1: Recycling of Construction Materials
- MM UT-2: Materials with Recycled Content

5. Unavoidable Significant Adverse Impacts. Significant impacts of the proposed Project that could not be reduced below a level of significance are described in the FOF with findings for each impact. The following significant impacts could not be mitigated to a level of insignificance under CEQA:

Air Quality and Greenhouse Gases

- *Construction Emissions:* Construction of the proposed Project would result in significant air quality emissions. With mitigation, peak day emissions from construction would remain significant and unavoidable for particulate matter (PM)<sub>2.5</sub>, nitrogen oxide (NO<sub>x</sub>), carbon monoxide (CO), and volatile organic compounds (VOC) in 2015 and for NO<sub>x</sub> in 2016. In addition, although emissions from combined construction and operation of the proposed Project would be reduced with mitigation, they would remain significant and unavoidable for PM<sub>2.5</sub>, NO<sub>x</sub>, CO, and VOC during the 2015 peak construction year.

The maximum offsite ambient pollutant concentrations associated with the construction of the proposed Project would remain significant after mitigation for nitrogen dioxide (NO<sub>2</sub>) (federal 1-hour and state 1-hour average) and PM<sub>10</sub> (24-hour average).

The maximum offsite ambient pollutant concentrations associated with the combined construction and operation of the proposed Project would remain significant after mitigation for NO<sub>2</sub> (federal 1-hour and state 1-hour average) and PM<sub>10</sub> (24-hour average).

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- *Operational Emissions:* Operation of the proposed Project would result in significant air quality emissions. Peak daily operational emissions for the proposed Project would be reduced with mitigation but would remain significant and unavoidable for NO<sub>x</sub>, CO, and VOC in all analysis years.

The maximum offsite NO<sub>2</sub> (federal 1-hour average) concentration and incremental PM<sub>10</sub> (24-hour and annual average) concentrations from operational activities would also remain significant after mitigation.

- *Health Risk:* The proposed Project would result in significant health risk to occupational and liveaboard residential receptors. The maximum incremental cancer risk would remain above the significance threshold at the maximum impacted occupational receptor after mitigation because cancer risk would be driven by truck exhaust, for which mitigation beyond the Clean Truck Program is not feasible.

The maximum incremental cancer risk is predicted to be less than the significance threshold at all residential receptor types except the marina-based residential receptors after mitigation because cancer risk at the liveaboard receptor would be driven by locomotive exhaust, for which additional project-level mitigation is not feasible. These liveaboard receptors are located in the Cerritos Channel, near Anchorage Street, just west of the Henry Ford and Schuyler Heim bridges.

The Harbor Department is committed to implementing control measures included in the Clean Air Action Plan (CAAP) that will reduce air emissions and health impacts from future port operations. Currently adopted regulations and future rules proposed by the United States Environmental Protection Agency (USEPA), California Air Resources Board (CARB) and the South Coast Air Quality Management District (SCAQMD) also will result in additional reductions in air emissions and associated health impacts from Port operations.

Biological Resources. Operation of the proposed Project would result in significant impacts related to the substantial disruption of local biological communities after mitigation. Increased vessel calls could increase the risk of introducing non-native invasive species via vessel hulls and ballast water.

Greenhouse Gas Emissions. Operation of the proposed Project would result in significant greenhouse gas (GHG) emissions after mitigation. The proposed Project's GHG emissions would exceed the GHG threshold of 10,000 metric tons per year (mty) in all operational analysis years.

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Cumulative Impacts. The proposed Project was analyzed in conjunction with other related projects in the area for its potential to contribute to significant cumulative impacts. The proposed project would result in cumulatively considerable contributions to significant cumulative impacts related to aesthetics, air quality and meteorology, biological resources, greenhouse gas emissions, and noise under CEQA after mitigation.

Environmental Justice. Although not required pursuant to CEQA, the EIR includes an environmental justice analysis pursuant to NEPA, which assesses the potential for actions to have disproportionately high and adverse environmental and health impacts on minority and low-income populations. Significant impacts related to air quality would result in disproportionately high and adverse effects on minority and low-income populations.

6. Overriding Considerations. Pursuant to Public Resources Code Section 21081(b), 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 agency makes the specific findings discussed above with respect to each significant impact and finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects. The Statement of Overriding Considerations must identify the substantial adverse environmental impacts that cannot be mitigated or avoided; make recommendations, if any, by the lead agency that the project or alternatives be approved as proposed; and the reasons why, if in the opinion of the decision-making body, the project warrants approval despite such consequences or recommendations.

The draft FOF and SOC (Transmittal 2) recommended by staff is transmitted for Board consideration and adoption. 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:

- **Fulfills Harbor Department's legal mandates and objectives.** The proposed Project would fulfill the Harbor Department's legal mandate under the Port of Los Angeles Tidelands Trust (Los Angeles City Charter, Article VI, Sec. 601; California Tidelands Trust Act of 1911) to promote and develop commerce, navigation and fisheries, and other uses of statewide interest and benefit including industrial and transportation uses and the California Coastal Act (PRC Division 20, Section 30700, et seq.), which identifies the Port and its facilities as a primary economic/coastal resource of the state and an essential element of the national maritime industry and obligates the Harbor Department to modernize and construct necessary facilities to accommodate deep-draft vessels and to

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accommodate the demands of foreign and domestic waterborne commerce and other traditional and water-dependent and related facilities in order to preclude the necessity for developing new ports elsewhere in the state. Further, the California Coastal Act provides that the Harbor Department should give highest priority to the use of existing land space within harbors for port purposes, including, but not limited to navigational facilities, shipping industries and necessary support and access facilities. The proposed Project would also meet the Harbor Department's strategic green growth objectives by maximizing the efficiency and the capacity of facilities while applying mitigation measures that adhere to and/or exceed the San Pedro Bay Clean Air Action Plan (CAAP) requirements and raise environmental standards.

- **Implements the CAAP.** Project-specific standards and lease measures implemented through CEQA are one of several mechanisms for meeting CAAP requirements.
- **Optimizes land use.** The proposed Project would maximize the utilization of Port lands by increasing the cargo handling efficiency of an existing container terminal to accommodate the demands of foreign and domestic waterborne commerce.
- **Accommodate projected changes to cargo ship fleet mix.** The proposed Project would upgrade an existing facility to accommodate the servicing of larger container ships which are projected to enter the fleet mix calling at the Port in the future.
- **Fosters economic growth.** The proposed Project would augment local employment and business opportunities by directly supporting numerous short-term construction and long-term operational jobs and a variety of indirect jobs related to both the construction and operational phases.

In summary, the proposed Project would allow the Harbor Department to meet its legal mandates to accommodate growing international commerce, while maintaining compliance with important environmental programs and policies. The Board hereby finds that the benefits of the proposed Project described above outweigh the significant and unavoidable environmental effects and are therefore considered acceptable.

7. Areas of Controversy on Draft EIR. It is important for the Board to be informed as to the areas of controversy associated with the proposed Project. The areas of controversy have been identified through oral and written comments received on the proposed Project as part of the environmental review and planning processes. The discussion below provides a general overview of the areas of concern identified that

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staff believes remain controversial. Specific details on issues raised by commenters and the responses to those comments are included in the Final EIR.

During the public review period for the Draft EIR, several commenters raised concerns over the proposed Project's significant air quality impacts, health risks over 10 in 1 million for liveaboard residential receptors, and disproportionate impacts on minority and low income communities. They suggested additional mitigation measures to reduce those impacts, primarily related to zero emission trucks and equipment and increased AMP requirements. However, additional mitigation measures in these areas proved to be technologically and economically infeasible as detailed in the Final EIR. Several other mitigation measures were strengthened and two additional lease measures were added in response to comments and the Final EIR contains all feasible mitigation.

8. Comments on Final EIR and Future Recommendations. New comments were received on the Final EIR prior to and following the Board meeting on October 16, 2014. Comments focused on process and timeline for reviewing the Final EIR before Board consideration, additional GHG mitigation, and zero and near-zero emission technologies. LM AQ-1 and MM GHG-4 were modified and a new lease measure (LM AQ-4) was added in response to comments on the Final EIR. LM AQ-1 was modified to include a shorter review cycle (every two years) focusing on zero emission and near-zero emission technologies for trucks, yard equipment, rail activity, and vessels that are not able to utilize AMP. MM GHG-4 was modified to alternatively contribute funding equivalent to the cost of the required offset to local projects identified by LAHD or an established local GHG emission reduction funding program. LM AQ-4 is a new measure that was added to include a three-year demonstration project for two zero or near-zero emission yard tractors on the YTI terminal.

Additionally, several recommendations for action moving forward came out of discussions with commenters. It is recommended that the Board direct staff to carry out the following actions:

- (1) Advanced notification and increased dialogue with community stakeholders including:
  - (a) Major environmental documents will first be presented to the Board as an informational item when the final document is released to the public followed by Board consideration at the next meeting
  - (b) Maintaining ongoing staff contact with community groups and interested parties
  - (c) Maintaining dialogue between senior managers of key agencies and the Harbor Department
- (2) Develop programs for:

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- (a) Zero emission and near-zero emission technologies
- (b) Energy strategies
- (c) GHG reduction strategies

- (3) Investigate and report to Board on the development of a local-investment GHG grant program including:
  - (a) How to address impacts of GHG emissions
  - (b) Funding options

9. EIR Certification and Project Approval. In light of these findings and conclusions, staff recommends certification of the Final EIR as being prepared in accordance with CEQA and implementing guidelines, and recommends approval of the Project and adoption of all feasible mitigation measures and lease measures.
10. Implementation of Mitigation. When making the CEQA findings required by Public Resources Code Section 21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code Section 21081.6 for changes to the proposed Project which it has adopted or made a condition of Project approval in order to mitigate or avoid significant effects on the environment. A MMRP (Transmittal 3) and an errata to the Final EIR (Transmittal 4) are transmitted for Board consideration and adoption. In addition, should the Board elect to approve the proposed Project or one of the action alternatives, the mitigation measures contained in the EIR would be incorporated as appropriate in permits, such as, engineering specifications, engineering construction permits, real estate entitlements, and/or coastal development permits for the proposed Project (Recommendation 13).
11. Record of Proceedings. When making CEQA findings required by Public Resources Code Section 21081(a), a public agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based. These records are in the care of the Director of Environmental Management, City of Los Angeles Harbor Department, 222 W. 6<sup>th</sup> Street, San Pedro, California 90731.
12. 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 County and City Clerks after the proposed Project is approved. Public Resources Code Section 21167(c) provides that any action or proceeding alleging that an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the Notice of Determination.

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**ECONOMIC BENEFITS:**

The proposed Project is anticipated to result in a total of 750 direct and secondary one-year equivalent construction-related jobs and a net total of 2,241 direct and secondary long-term jobs related to operations.

**FINANCIAL IMPACT:**

Certification of the Final EIR and approval of the proposed Project would pave the way for implementation of the proposed Project. Award of the capital construction contract will be brought before the Board in a separate future action; the current estimated capital cost is approximately \$58,370,000 through 2018. Preliminary analysis indicates that undertaking the proposed Project would likely conform to the Harbor Department's Board adopted rate of return policy. Based on the additional throughput capacity created as a result of the proposed Project, a deposit to the Port Community Mitigation Trust Fund (PCMTF) in the amount of approximately \$773,500 must be made through a separate Board item upon construction contract approval. Aside from mitigation and lease measures that are the responsibility of the tenant as outlined in the MMRP (Transmittal 3), the proposed Project is the financial responsibility of the Harbor Department.

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**CITY ATTORNEY:**

Based upon the information presented to the City Attorney's Office, the Board may certify that the Final Environmental Impact Report for the Berths 212-224 Yusen Terminals, Inc. [YTI] Container Terminal Improvements Project has been completed in compliance with CEQA.

**TRANSMITTALS:**

1. Final Environmental Impact Report (FEIR)
2. Findings of Fact and Statement of Overriding Considerations (FOF and SOC)
3. Mitigation Monitoring and Reporting Program (MMRP)
4. Errata to Final EIR



CHRISTOPHER CANNON  
Director of Environmental Management

FIS Approval:  (initials)  
CA Approval:  (initials)

  
*FOR* MICHAEL R. CHRISTENSEN, P.E.  
Deputy Executive Director

APPROVED:

  
*FOR* EUGENE D. SEROKA  
Executive Director

AUTHOR: LAURA MASTERSON  
BOARD MEETING: 11/07/14

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