

# 7.0

## SOCIOECONOMICS AND ENVIRONMENTAL QUALITY

### 7.1 Introduction

This chapter describes the existing socioeconomic conditions in the PMPU area and surrounding vicinity, as well as the factors affecting environmental quality. Information is presented on population, employment, housing and environmental quality. The description of environmental quality addresses community redevelopment activities; planning and zoning actions taken by the City in general and LAHD in particular; and other physical, social, and economic factors contributing to community perceptions of environmental quality.

### 7.2 Environmental Setting

This section describes baseline conditions for the most recent, representative year for which complete data are available. The environmental setting for the proposed Program includes cities and communities in the vicinity of the Port and a larger five-county region of southern California that includes Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties. This region represents the area in which the majority of the Port's economic influence occurs.

#### 7.2.1 Socioeconomics

Socioeconomics addresses a number of topics including population, employment, and housing. The nature of the data presented in this section reflects the programmatic nature of the methodology utilized in the PEIR (Chapter 1.0, Introduction). Project-specific EIRs tiered from this PEIR would present additional data if the level of socioeconomic effects warrants an expanded quantitative assessment.

The proposed Program would not induce substantial population growth because most of the additional jobs produced would be filled by persons already residing in the five-county region. Nor would the proposed Program displace housing or population because no development would occur in populated areas. In the event that property outside the Port is affected by future construction or improvements such as highways, roads, bridges, rail facilities, and railroad crossings associated with or necessitated by

operations and development at the Port, specific needs for right-of-way and access would be addressed in future project-level environmental documents.

### 7.2.1.1 Population

The population in the five-county region increased by almost 3.5 million persons over the past two decades at an average annual rate of just over 1 percent. Riverside County and San Bernardino County experienced the highest rate of growth and Los Angeles County the lowest. The population of the City of Los Angeles increased at a substantially slower pace over the past two decades than previous decades. Four cities in the South Bay section of Los Angeles County experienced population increases at rates greater than that of the City of Los Angeles: Signal Hill; Redondo Beach; Torrance; and Carson. The communities of San Pedro and Wilmington-Harbor City experienced modest annual population gains during this period.

Population projections prepared by SCAG in the *2012-2035 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS)* are presented in Table 7.2-1. The data represent the same timeframe covered by the proposed Program, which utilized the SCAG forecasts. The RTP/SCS includes forecasts for 2020 and 2035. The base year for the SCAG forecast is 2008, prior to the release of 2010 Census data and earlier than the 2011 baseline year for this PEIR. Estimated populations for 2011 were also obtained from the California Department of Finance (DOF) and represent January 1, 2011 conditions.

**Table 7.2-1. Projected Population through 2035**

<i>Area</i>	<i>2008 (SCAG)</i>	<i>2011 (DOF)</i>	<i>2020 (SCAG)</i>	<i>2035 (SCAG)</i>
<i>Counties</i>				
Los Angeles	9,778,000	9,847,712	10,404,000	11,353,000
Orange	2,989,000	3,028,846	3,266,000	3,421,000
Riverside	2,128,000	2,205,731	2,592,000	3,324,000
San Bernardino	2,016,000	2,046,619	2,268,000	2,750,000
Ventura	813,000	827,874	889,000	954,000
Five-County Region	17,724,000	17,956,782	19,419,000	21,802,000
<i>Nearby Cities</i>				
Carson	91,700	91,455	97,500	106,000
Lakewood	80,000	80,172	80,500	80,600
Long Beach	462,200	463,393	491,000	534,100
Los Angeles	3,770,500	3,806,411	3,991,700	4,320,600
Palos Verdes Estates	13,400	13,465	13,500	13,500
Rancho Palos Verdes	41,600	41,721	41,700	41,700
Redondo Beach	66,500	66,895	69,700	73,000
Rolling Hills	1,900	1,866	1,900	1,900
Rolling Hills Estates	8,100	8,084	8,100	8,200
Signal Hill	11,000	11,060	11,800	12,900
Torrance	145,000	145,770	150,800	158,500
<i>Source: California DOF 2012; SCAG 2012</i>				

## 7.2.1.2 Employment

Table 7.2-2 presents SCAG's adopted employment forecast for 2020 and 2035 for the five-county region and cities in Los Angeles County. Existing conditions with regard to employment are described for this region, the county, and local level, including communities in the vicinity of the Port (including Wilmington, San Pedro, Carson, and Harbor City). Port history with regard to employment trends is also addressed.

**Table 7.2-2. Projected Employment through 2035**

<i>Area</i>	<i>2008</i>	<i>2020</i>	<i>2035</i>
<i>Counties</i>			
Los Angeles	4,340,000	4,558,000	4,827,000
Orange	1,624,000	1,626,000	1,779,000
Riverside	664,000	939,000	1,243,000
San Bernardino	701,000	810,000	1,059,000
Ventura	348,000	379,000	411,000
Five-County Region	7,677,000	8,312,000	9,319,000
<i>Nearby Cities</i>			
Carson	51,900	52,500	54,000
Lakewood	15,700	16,800	17,800
Long Beach	168,100	176,000	184,800
Los Angeles	1,735,200	1,817,700	1,906,800
Palos Verdes Estates	3,500	3,400	3,400
Rancho Palos Verdes	6,300	6,700	7,100
Redondo Beach	30,100	30,600	31,600
Rolling Hills	40	40	40
Rolling Hills Estates	3,800	4,000	4,200
Signal Hill	11,700	12,300	12,700
Torrance	105,800	109,100	113,300
<i>Source: SCAG 2012</i>			

### 7.2.1.2.1 Southern California

Between 1990 and 2010, employment in southern California increased by more than 500,000 jobs at an average annual rate of under 0.5 percent. The greatest increase in number of employees over the 20-year period, as well as the largest percentage increase in employment, occurred in Riverside County followed by San Bernardino County. Employment in Los Angeles County remained virtually flat.

Based on SCAG projections, employment in the five-county region is projected to increase by over 4 million jobs through 2035 with the largest increase in jobs in Los Angeles County followed by Riverside and San Bernardino Counties (Table 7.2-2).

Many jobs lost from 1990 to 2010 have been in well-paying sectors such as manufacturing (aerospace, electronic instrument, computer and peripheral, machinery, and fabricated metal) and Department of Defense and other federal agencies. Although a significant number of well-paying jobs were added to the regional economy over the same time period (arts/entertainment/recreation,

1 wholesale trade, transportation and warehousing, construction, local government, and  
 2 health care), the majority of new jobs were lower-paying jobs in the services (office  
 3 administrative, employment, and food and drink establishments) and local  
 4 government education sectors. The average annual wage level of the gaining sectors  
 5 was approximately 25 percent less than the losing sectors' average annual wage.

## 6 Geographical Distribution of Port Workers

7 The employment generated by maritime cargo activity at the marine terminals in the  
 8 Port can be categorized into trucking, International Longshore and Warehouse Union  
 9 workers, freight forwarders/customs house brokers, warehousing, steamship agents,  
 10 chandlers, and surveyors, as well as miscellaneous others. Approximately 43,400  
 11 jobs are directly generated by activities at the marine terminals (Martin Associates  
 12 2007). Table 7.2-3 presents the distribution of these direct jobs by place of  
 13 employment. The geographic residency is based on the results of interviews with 721  
 14 firms. As the table indicates, approximately 13 percent of the direct job holders reside  
 15 in the City of Los Angeles (excluding Wilmington and San Pedro), 17 percent in the  
 16 City of Long Beach, 13 percent in San Pedro, and 9 percent in Wilmington. Another  
 17 37 percent reside in other parts of Los Angeles County.

**Table 7.2-3. Distribution of Direct Cargo Jobs by Place of Residence for the Port of Los Angeles**

<i>Jurisdiction</i>	<i>Direct Cargo Jobs</i>	<i>Residence Location (percent)</i>
City of Los Angeles (excluding San Pedro and Wilmington)	5,495	12.7
City of Long Beach	7,280	16.8
San Pedro	5,669	13.1
Wilmington	3,790	8.7
Other Los Angeles County	16,042	37
Orange County	3,367	7.8
Riverside County	498	1.2
San Bernardino County	978	2.3
Ventura County	58	0.1
Other Los Angeles County	220	0.5
<b>Total</b>	<b>43,398</b>	<b>100.2</b>
Note: Totals not exact due to rounding. Source: Martin Associates 2007		

## 18 International Trade

19 International trade includes import and export activities that generate jobs and  
 20 income for the region and in turn generate higher net economic benefits for the  
 21 region. The southern California region serves as a major transshipment center that  
 22 links domestic and global markets within the global economy. The Los Angeles  
 23 Customs District (LACD), which includes the Port, Port of Long Beach, Port  
 24 Hueneme, and LAX, is the department that facilitates international trade in the  
 25 region. Total trade through the LACD was \$347 billion in 2010. At the LACD,  
 26 international trade activity was dominated by imports. In 2010, total imports for

1 consumption in the Los Angeles area increased by 22.8 percent to \$241.6 billion, the  
2 third highest year ever behind 2007 and 2008. Exports rebounded by 22.2 percent, to  
3 \$105.3 billion in 2010, the second best year behind 2008. In 2010, the value of  
4 imports moving by sea totaled \$269.5 billion. Exports moving by sea were valued at  
5 \$66.6 billion in 2010 (Los Angeles County Economic Development Corporation  
6 2011).

7 Direct employment related to international trade increased from approximately  
8 175,000 in 1980 to approximately 485,000 in 2006. Jobs related to international trade  
9 include, but are not limited to, vessel operation, cargo handling, surface  
10 transportation (truck and rail), trade finance, freight forwarding, custom brokerage,  
11 and insurance. Between 2005 and 2006, employment related to international trade  
12 increased by approximately 35,000 jobs. Except for a setback in 2002 (following a  
13 late 2001/early 2002 plunge in global trade post 9-11), employment in southern  
14 California's trade-sensitive industries increased every year from 1999 through 2007.  
15 However, a recession led to 2 years of decline in 2009 and 2010, with a total decline  
16 of 55,600 jobs or -9.9 percent.

## 17 **Logistics Sector of the Economy**

18 Freight movement is a system of related and integrated businesses comprising  
19 infrastructure, equipment, personnel, and information components. The purpose of  
20 this system is to achieve the distribution of goods and commodities between origins  
21 and destinations or suppliers and consumers within an increasingly global economy.  
22 It comprises the following industrial sectors: wholesale trade; truck transportation;  
23 support services for transportation; non-local couriers; general warehousing; and air,  
24 rail, and water transportation. This group of industries has begun to provide large  
25 numbers of blue collar jobs that have traditionally been found in manufacturing.  
26 Accordingly, these industries provide an alternative employment source to replace  
27 well-paying manufacturing jobs that have left and continue to leave the region. The  
28 system's components work collectively and cooperatively, and have a significant  
29 impact on the local economy. As an example, a study conducted for the New Jersey  
30 Department of Transportation demonstrated that employment associated with freight  
31 movement in that state accounted for the direct employment of over 484,000  
32 workers, exceeding the number of jobs supported by manufacturing (New Jersey  
33 Department of Transportation 2001).

34 The logistics sector of the economy within the southern California region, including  
35 trade, transportation, and utilities, are strongly linked to international trade. In 2010,  
36 the logistics sector provided about 1.2 million jobs to southern California's economy,  
37 or one in seven in the region. Among the total logistics jobs in the state, more than  
38 45 percent were in southern California. Additionally, the logistics sector added  
39 approximately 194 million jobs (+16.2 percent) between 2005 and 2010.

40 A factor that freight-movement-related businesses in southern California must  
41 contend with, which is less of a factor in other parts of the U.S., is the cost of living.  
42 According to a study sponsored by SCAG, a number of factors important to  
43 companies have become especially costly in southern California: workers  
44 compensation insurance, electrical energy, and housing (Economics and Politics, Inc.  
45 2004). For companies that have considerable locational freedom, costs in southern  
46 California are not attractive for remaining or for expanding their operations in the

1 region. For many companies, however, proximity to customers (the general  
2 population) and other factors such as facilities (ports and airports) and skilled  
3 workforce are of overriding importance. These industries include the services sector,  
4 motion picture industry, and transportation and warehousing.

5 For more than the last decade, the nation's manufacturers and retailers have adopted  
6 "just-in-time" systems. This change in business practices has resulted in the  
7 distribution industry creating a series of large goods-holding centers, including many  
8 in southern California. Their location in southern California is related to the fact that  
9 a high proportion of the nation's trade with Asian economies passes through the Port  
10 and the Port of Long Beach. It is anticipated that the volume of this trade will  
11 continue to increase (Tioga 2009), which would be expected to have positive effects  
12 on employment related to international trade.

13 The Trade Impact Study prepared for ACTA and the Port and Port of Long Beach  
14 (ACTA 2007) examined the economic impacts of the trade that passes through the  
15 Port and the Port of Long Beach, by state, Congressional District, and for the nation.  
16 According to this study, state and local taxes generated throughout the nation from  
17 this trade activity grew from an estimated \$6 billion in 1994 to more than \$28 billion  
18 in 2005, of which \$6.7 billion was in California. From the ports, nationwide, the trade  
19 volume was about \$256 billion, of which \$62.5 billion was in California.

20 From 2000 to 2010, employment associated with the international trade activity in the  
21 Los Angeles five-county area grew by 14,300 jobs. In 2010, about 8.8 percent of total  
22 non-farm jobs in southern California were related to international trade including  
23 ports (Sidhu et al. 2011). This report included the economic contributions of the  
24 logistics industries located at the Port and Port of Long Beach as well as wholesalers,  
25 distributors and retailers located outside the Ports.

26 Port and Port of Long Beach: The top containerized imports through the two ports in  
27 fiscal year (FY) 2010 were machinery and equipment, textiles, vehicles, footwear and  
28 apparel, base metals, plastics and rubber products, and crude oil. The top trading  
29 partners in FY 2010 were China, Japan, South Korea, Taiwan, Thailand, Vietnam,  
30 Malaysia, Australia, Singapore, Indonesia. The total cargo value for the two ports in  
31 FY 2010 was approximately \$326 billion. The Port and the Port of Long Beach are two  
32 of the world's largest trade gateways and make substantial contributions to the regional  
33 economy. If combined, the ports would be the world's fifth busiest port complex.

34 According to the latest figures presented by the ports on their respective websites  
35 (Port 2012; Port of Long Beach 2012), trade that flows through the ports results in  
36 more than \$5 billion a year in U.S. Customs revenues. Trade that flows through the  
37 Port results in \$5.1 billion in state tax revenue and \$21.5 billion in federal tax  
38 revenue, while trade that flows through the Port of Long Beach results in \$5.6 billion  
39 a year in state and local tax revenues. Statistics on the ports' respective websites  
40 indicate that port industries account for approximately 16,360 direct jobs for the Port  
41 and approximately 30,000 jobs for the Port of Long Beach. Port users, which are  
42 businesses that use the ports to receive imports or ship exports, are the biggest  
43 contributors to the economy. Export manufacturers are among the major port users  
44 while others include local manufacturers who process imported unfinished goods.  
45 Port customers are the retail and other non-cargo businesses in the ports. They are  
46 most important to communities near the Port as a source of jobs, recreation and

1 specialty consumer goods. For the Port, port users generate approximately  
2 \$12.1 billion and stimulate an additional \$5.5 billion in local industry indirect sales  
3 (Port 2011). Local "re-spending" by workers employed by port users and the  
4 industries they impact amount to approximately \$4.1 billion. Each dollar of spending  
5 for port user goods and services produces about 97 cents of additional industry sales  
6 in the southern California region. Port customers contribute about \$760 million to the  
7 local economy. Trade that flows through the Port of Long Beach results in  
8 approximately \$47 billion in direct and indirect business sales yearly and  
9 approximately \$14.5 billion in annual trade-related wages.

## 10 Occupation by Place of Residence

11 All of the communities near the Port have much higher proportions of their residents  
12 employed in the transportation and warehousing sector of the economy than is the  
13 case for Los Angeles County and the City of Los Angeles. The San Pedro area has  
14 proportions that are twice or more than those of the county or city.

### 15 7.2.1.3 Housing

16 Attributes of housing described below include trends in construction and housing  
17 prices. Southern California housing construction experienced periods of expansion  
18 between 1967 and 1972, 1975 and 1977, 1982 and 1986, and 1995 to 2006, with  
19 periods of decline in between. The decline in housing construction in the late 1980s  
20 and early 1990s was in response to economic dislocation associated with reductions  
21 in military defense spending and base closures. Due to the recent economic decline,  
22 the number of new housing units constructed in Los Angeles County dropped by  
23 more than 80 percent from 2006 to 2009.

24 Between 2000 and 2010, the housing market experienced new residential  
25 construction at all-time highs and lows. During this period, the shares of housing  
26 units constructed in Riverside County and Los Angeles County were similar,  
27 equaling about one-third of the regional total, with San Bernardino County having  
28 less than 20 percent of the regional total. The contributions made to new housing  
29 constructed in southern California by Riverside County and San Bernardino County  
30 have risen rapidly in recent decades when compared to Los Angeles County.

31 Housing prices within the southern California region have recently experienced new  
32 lows after substantial growth in value for almost two decades. Within the five-county  
33 region, annual home sales prices in some areas fell by approximately 30-40 percent  
34 in 1 year. The greatest decline took place in San Bernardino County. The slump in  
35 home prices is reflective of the housing market crash experienced throughout the  
36 country. Housing prices started rising again in some areas in 2010 although  
37 foreclosures and short sales continued.

## 7.2.2 Environmental Quality

### 7.2.2.1 Introduction

“Environmental quality” refers to an aggregative set of factors that contribute to the overall condition of the natural, physical, and human environment. In the context of an urban setting, some key contributing factors include visual quality and aesthetics, land use compatibility and encroachment, socioeconomic conditions, real property values and attributes, air and water quality, hazardous materials and waste sites, and the adequacy of public facilities and services. Environmental quality and the effect of urban decay and blight on communities in the vicinity of the ports are important even at the national level. This relationship has been recognized by a number of national organizations (Urban Land Institute 2002). Such concerns are shared by communities near the Port, residents, community groups, and other entities.

Information on environmental quality was gathered from a number of sources, but is primarily from other Port EIRs and EIS/EIRs containing information relevant to environmental quality and blight, extending back to the initial inclusion of environmental quality as a companion analysis to socioeconomics in Port environmental studies in 2007. Based on the proposed Program location, the study area for this evaluation focuses on the communities of Wilmington and San Pedro.

### 7.2.2.2 Applicable Plans, Policies, and Programs

Several plans and policies described in Section 3.8, Land Use, are also relevant to the evaluation of environmental quality for the study area. These include the *City of Los Angeles General Plan* and existing plans of the Port. These plans and policies are addressed in previous sections and are not re-described here. Other Port plans and policies that more specifically focus on environmental quality issues are summarized below.

#### 7.2.2.2.1 Port of Los Angeles Strategic Plan 2012-2017

The *Port of Los Angeles Strategic Plan 2012-2017* is a 5-year plan intended to improve performance of the Port and to outline the Port’s direction and priorities (Port 2012). The Strategic Plan has seven strategic objectives, each with initiatives and action items that focus on the plan’s Mission: “We are America’s Port – the nation’s #1 container port and the global model for sustainability, security, and social responsibility.”

#### 7.2.2.2.2 Port of Los Angeles Sustainability Plan

The LAHD developed the *Port of Los Angeles Sustainability Assessment and Plan Formulation* (Sustainability Plan) (LAHD 2008) in response to Mayoral Executive Directive No. 10, Sustainable Practices in the City of Los Angeles, passed in June of 2007. In June 2008, the Port published the *Sustainability Assessment and Plan Formulation*, which surveyed and evaluated existing Port sustainability efforts. The 2011 Sustainability Report highlights major sustainability initiatives undertaken since 2008. The report uses a Material Issues Scorecard, which rates the Port’s progress on



1 addressing the material issues that are most important to the Port and its stakeholders  
2 for achieving sustainable operations. These material issues include: health risk  
3 reduction; air quality; energy and climate change; water quality; stakeholder  
4 relationships; land use; habitat protection; open space and urban greening; local  
5 economic development; environmental justice; and, green growth. Of these issues,  
6 the Port is acknowledged as an industry leader on policies and plans addressing  
7 health risk reduction, air quality, habitat protection, open space and urban greening,  
8 and green growth. Future planning for a more comprehensive Sustainability Action  
9 Plan is underway.

### 10 **7.2.2.2.3 Green Building Policy**

11 In 2007, the Board adopted a Green Building Policy that requires LEED certification  
12 and standards for new and existing building construction and/or renovation for  
13 buildings over 7,500 square feet (LAHD 2007). The LEED Green Building Rating  
14 System is voluntary, consensus-based, and market-driven, and is based on existing,  
15 proven technology that evaluates environmental performance in five categories.

### 16 **7.2.2.2.4 Port Environmental Programs and Initiatives**

17 The Port has introduced a number of measures designed to reduce adverse impacts  
18 from Port operations and improve environmental quality in nearby communities. This  
19 section provides an overview of the Port's Environmental Management Policy, as  
20 well as the consistency between that policy and the *San Pedro Waterfront Master*  
21 *Plan* and Wilmington Waterfront Development Program.

22 On August 27, 2003, the Board approved development of an Environmental  
23 Management Policy for the Port (Port 2003). The purpose is to provide an introspective,  
24 organized approach to environmental management, further incorporate environmental  
25 considerations into day-to-day Port operations, and achieve continual environmental  
26 improvement. Numerous initiatives and programs under the policy relate to impacts of  
27 Port operations on environmental quality in nearby communities, including:

- 28 ■ Programs to improve the efficiency of cargo handling, reduce cargo storage time,  
29 and increase the use of electric cranes and electric and alternative fuel vehicles;
- 30 ■ Promoting the use of on-dock rail facilities;
- 31 ■ Promoting use of the Alameda Corridor, which helps to reduce truck traffic and  
32 air pollution; and,
- 33 ■ Sharing of technologies with other ports to continue improving pollution control  
34 technologies.

35 The CAAP, representing a plan approved under the policy, is intended to reduce  
36 public health risks from Port operations in nearby communities. The CAAP was  
37 initially approved in November 2006 and updated in October 2010, and includes  
38 measures for implementation over a 5-year period (Port and Port of Long Beach 2006  
39 and 2010). Examples include full implementation of the Clean Trucks Program at the  
40 Port and the Port of Long Beach, goals for vessel speed reduction participation,  
41 shore-power infrastructure compliance, reduced sulfur marine fuel use, reducing  
42 negative impacts of port drayage on the local community, and other measures.

### 7.2.2.2.5 San Pedro Waterfront Master Plan

As part of the Los Angeles Waterfront Program, the *San Pedro Waterfront Master Plan* area includes 400 acres of Port property along an 8-mile stretch of waterfront from the Vincent Thomas Bridge to the Federal Breakwater in San Pedro. Designed to bring the community closer to the waterfront, it includes new harbor cuts, redevelopment of commercial uses, de-industrialization of the waterfront area, cultural and educational opportunities, a continuous waterfront promenade, and significant open space comprising public parks and plazas. Extensive waterfront development will continue in phases over the next decade.

### 7.2.2.2.6 Wilmington Waterfront Development Program

Also as part of the Los Angeles Waterfront Program, the Wilmington Waterfront Development Program includes two major contiguous projects along Harry Bridges Boulevard that cover over 120 acres: 1) the Wilmington Waterfront Development Project (also referred to as the Avalon Boulevard Corridor development), which is intended to provide waterfront access and commercial development opportunities for Wilmington; and, 2) the 30-acre Wilmington Waterfront Park, which provides a physical space with public amenities and recreational opportunities between the Wilmington Community and the Port.

## 7.3 Effects Related to Socioeconomics and Environmental Quality

### 7.3.1 Methodology

Disclosure and mitigation of significant environmental effects from a proposed project or program is a key focus of CEQA. However, the Port is also committed to disclosing the broader impacts that its actions may have on the community, including effects related to socioeconomics and environmental quality. For this PEIR, assessment of potential effects related to socioeconomics is appropriately based mostly on qualitative evaluations. In contrast, tiered environmental documentation for the proposed appealable/fill projects and land use changes under the PMPU would, for example, include economic modeling or other types of quantitative assessments of jobs, income, and other economic impacts compared to baseline conditions.

A key factor for changes in socioeconomic resources is a change in economic activity, that is, industrial output (value of goods and services), employment, and income. Changes in employment in an area have the potential to affect population, housing, and environmental quality. This is especially the case when the additional job opportunities created through implementation of a project, during the construction and operation phases, cannot be fulfilled by the local workforce. Such a situation can trigger movement of workers into the area to fill the supply of new jobs, although these influxes may be temporary, such as can occur from short-lived construction activity, or permanent, such as when workers move to an area to fill long-term jobs. The movement of workers (and sometimes their accompanying family members) into an

1 area depends mainly on the number of job opportunities associated with project and the  
2 number and skill mix of workers available in the local labor force.

3 The Port is a national asset. Most of the direct and secondary economic impacts  
4 associated with its operation, however, are concentrated in a region of influence  
5 comprising the five-county region described in Section 7.2, Environmental Setting.  
6 The large majority of people working at the Port reside in Los Angeles and Orange  
7 Counties.

## 8 **7.3.2 Proposed Program Effects**

9 Cargo at the Port is expected to grow considerably through 2035, especially container  
10 traffic. (Section 3.12, Transportation, presents the cargo projections, expressed as TEUs,  
11 that were used for ground transportation modeling. The air quality assessment, Section  
12 3.2, Air Quality and Greenhouse Gases, also utilizes TEU projections in emissions  
13 modeling.) Most cargo growth would occur at existing facilities as their operations  
14 become more efficient to meet demand. The proposed appealable/fill projects and land  
15 use changes under the PMPU would add to the projects allowable under the existing  
16 PMP. Construction activities would result in direct project expenditures, during which  
17 time purchases of construction labor, materials, supplies, services, and equipment would  
18 be made by the applicants and the Port. Operations would also result in increased  
19 expenditures for labor, goods, equipment, supplies, and services.

20 These expenditures, in turn, would produce a ripple effect that includes “indirect”  
21 activity associated with purchases by firms that supply goods and services to the  
22 construction industry, as well as “induced” activity resulting from expenditures by  
23 workers employed by the various firms involved in the economic activity (e.g.  
24 benefits to the retail sector from increased purchases by households). For simplicity,  
25 these indirect and induced effects are referred to collectively as “indirect effects.”

### 26 **7.3.2.1 Effects on Employment**

27 The proposed appealable/fill projects and land use changes under the PMPU would  
28 generate direct construction jobs due to construction expenditures. The number of  
29 construction workers employed and working on site would vary over the course of  
30 the period covered by the PMPU. Direct construction jobs would also result in  
31 additional secondary jobs. These secondary increases in employment would be  
32 related to purchases from materials supply firms and their suppliers and household  
33 expenditures by workers, referred to, when combined, as “indirect employment.”

34 Impacts on regional employment associated with construction activity can be  
35 assessed by comparing existing regional employment and jobs created by an  
36 individual project. Los Angeles County has a large pool of construction labor (e.g.,  
37 104,800 people were employed in the construction industry in 2010). Much of the  
38 indirect workforce would also likely come from within the Los Angeles Basin. The  
39 proposed Program, therefore, is not anticipated to result in significant in-migration or  
40 relocation of construction employees to satisfy the need for increased temporary,  
41 construction-related employment.

1 Using a container terminal expansion as an example, a proposed 3.2 million TEU  
2 throughput increase is estimated to create over 3,800 direct and 4,100 indirect jobs at  
3 buildout or almost 8,000 operations-phase jobs. A rough approximation of the  
4 magnitude of direct and indirect additional jobs that could result by 2035 from an  
5 estimated increase of 6.7 million TEUs (refer to Table 3.12-13 for detailed TEU data)  
6 under the PMPU when compared to the 2011 baseline is over 12,000 operations-  
7 phase jobs. Another comparison is to the current number of Port industry workers  
8 involved in the moving and handling of maritime cargo, the vast majority of which  
9 work in trucking and warehousing. Currently, Port activities support approximately  
10 16,360 direct jobs.

11 The PMPU job estimate above does not include jobs associated with other types of  
12 cargo transport or other direct economic activity. Such an increase in jobs would still  
13 be relatively small compared to projected total employment in the larger economic  
14 region, which would be approximately 9.3 million jobs in the five-county southern  
15 California region in 2035, but this would represent a noteworthy portion of the net  
16 increase in jobs projected for Los Angeles County by SCAG through 2035, which is  
17 less than 500,000 jobs. Future Port-related employment in the thousands would help  
18 to improve the economic conditions in the area.

19 The proposed appealable/fill projects and land use changes would introduce  
20 employment within the Port and are expected to be beneficial to local businesses that  
21 serve Port employees and support or rely on Port operations. The proposed  
22 appealable/fill projects and land use changes would lead to increased tax revenues for  
23 the Port and the City of Los Angeles by expanding the tax base of the area. While it  
24 is difficult to quantify the economic benefit that the new facilities would bring until  
25 final lease negotiations or construction plans are in place, there would be an overall  
26 beneficial impact on local business revenue.

### 27 **7.3.2.2 Effects on Population**

28 The proposed Program does not include the development of new housing or  
29 infrastructure that would directly induce population growth. No major shifts in the  
30 residential population are expected as a direct result of the proposed Program, given  
31 the large labor force in the five-county region and the relatively small changes in  
32 employment that the proposed Program could induce.

33 Construction of the proposed appealable/fill projects and development resulting from  
34 land use changes would take place through 2035. The number of construction  
35 workers employed and working on site would vary from year to year, and projects  
36 may overlap, thereby creating cumulative effects. Construction workers tend to  
37 commute to a variety of job site locations throughout the course of the year, and  
38 many workers are highly specialized, moving among job sites as dictated by the need  
39 for their skills. Also, because of the highly specialized nature of most construction  
40 projects, workers are likely to be employed on the job site only for as long as their  
41 skills are needed to complete a particular phase of the construction project.  
42 Accordingly, construction workers are not likely to relocate their households to any  
43 substantial degree as a consequence of opportunities for construction work at the  
44 Port.

1 As discussed above, long-term operation of the proposed appealable/fill projects  
2 would result in a marked increase in jobs following the build-out of these projects  
3 over time. The potential increase in jobs is small compared to future regional  
4 employment of 8-9 million or more, and a population of over 21 million, in the five-  
5 county region (Tables 7.2-1 and 7.2-2). In addition, baseline conditions in southern  
6 California and in most other locations in the country are characterized by high  
7 unemployment rates that would be expected to further offset the need for workers to  
8 come from outside the region. The proposed Program would not be associated with  
9 substantial population growth and would not result in population displacement. Thus,  
10 consistent with Chapter 8.0, Growth-Inducing Impacts, there would be less than  
11 significant impacts on population.

### 12 **7.3.2.3 Effects on Housing**

13 The proposed Program would not displace any housing and does not include  
14 construction of housing. Because of the large unemployed construction workforce in  
15 the region the need for construction is expected to be filled by the existing labor pool  
16 in the region. Therefore, it is anticipated that the proposed Program would not result  
17 in substantial population in-migration and relocation and would result in negligible  
18 changes in demand for additional housing compared to the existing inventory of  
19 housing. Therefore, potential impacts to housing would be less than significant.

20 A reduction in residential property value is not expected due to the proposed  
21 appealable/fill projects. While proximity to the Port may in some cases have led to  
22 lower residential property values compared to more affluent communities in southern  
23 Los Angeles County, such as Redondo Beach and Rancho Palos Verdes, residential  
24 property values in communities near the Port have grown in recent years, prior to the  
25 national recession, and did not exhibit depreciated or stagnant numbers. However, the  
26 recent housing market slump has led to decreased property values throughout  
27 California, a trend mirrored in the study area and nearby communities. Median home  
28 prices increased at high rates in a number of communities in the South Bay area of  
29 Los Angeles County from 1998 to 2008, before the recent recession. Home prices  
30 increased in all communities regardless of price levels at the beginning of the period.  
31 Those communities with the highest growth rates were often communities with the  
32 lowest home prices.

33 Therefore, the proposed Program would have less than significant impacts to  
34 residential property trends in areas immediately adjacent to the Port.

### 35 **7.3.2.4 Effects on Environmental Quality**

36 A number of related and cumulative projects (Table 4.1-1) would create additional  
37 open space or recreational amenities that would benefit Port-adjacent communities.  
38 Other projects would reduce land use conflicts with adjacent neighborhoods and  
39 thereby promote environmental quality. Other effects of the proposed Program on  
40 environmental quality could be adverse with examples listed below from a  
41 programmatic overview.

42 The need for additional off-Port (e.g., City of Los Angeles) enforcement of existing  
43 neighborhood truck traffic and routes, truck parking, land use, zoning and code

1 violations can affect environmental quality in residential or mixed use areas near the  
2 Port including:

- 3 ■ Truck parking and cut-throughs in residential neighborhoods in the vicinity of the  
4 Port reduce environmental quality in Wilmington and San Pedro;
- 5 ■ Offsite container and chassis storage can diminish environmental quality in or  
6 near residential areas near the Port; and,
- 7 ■ Port-related land uses in the vicinity of the Port such as scrap metal operations  
8 can reduce environmental quality and increase health and safety concerns.

### 9 **Mitigation Measures**

10 Mitigation measures for Environmental Quality are listed in Section 6.0,  
11 Environmental Justice, because they respond to public concerns (e.g., blight) about  
12 environmental justice in the vicinity of the Port, such as in or near areas with higher  
13 percentages of minority populations and concentrations of low-income populations  
14 compared to Los Angeles County overall.

## 15 **7.3.3 No Fill Alternative**

16 The No Fill Alternative would eliminate the proposed fill projects and associated  
17 land use changes from the PMPU. All other proposed appealable projects (i.e., Berths  
18 187-189 Liquid Bulk Relocation, Tri Marine Expansion, 338 Cannery Street  
19 Adaptive Reuse, and Al Larson Marina) and land use changes (Table 2.5-4) would be  
20 included in this alternative.

21 Most of the Port throughput growth would occur at existing facilities as their  
22 operations become more efficient to meet demand. The projects under the No Fill  
23 Alternative would create additional economic activity and benefits through the 2035  
24 planning timeframe, though less than the proposed Program.

### 25 **7.3.3.1 Employment**

26 Employment for the No Fill Alternative would be less than for the proposed Program,  
27 reduced by the amount of direct and indirect employment that would have been  
28 created by the proposed fill projects, but would have similar types of beneficial  
29 economic effects.

### 30 **7.3.3.2 Population**

31 Population impacts for the No Fill Alternative would be similar to the proposed  
32 Program, which would not create housing or infrastructure that would induce  
33 population growth or displace either population or housing.

34 As described above, direct and indirect employment would increase in the five-  
35 county region due to construction and operation of the No Fill Alternative, including  
36 the projects allowable under the existing PMP, the proposed appealable projects, and  
37 land uses changes. Employment would be less for the No Fill Alternative than for the  
38 proposed Program due to the exclusion of the proposed fill projects. While creating a

1 positive benefit, especially to Los Angeles County, the thousands of jobs created  
2 would still be relatively small compared to the number of total jobs in the region.  
3 Therefore both construction and operation workers are expected to come mainly from  
4 the local area.

### 5 **7.3.3.3 Housing**

6 Access to the large labor force in the region would reduce the need for in-migration  
7 and relocation of workers. As a result, the demand for new housing in the area would  
8 be minimal, but would still provide positive benefits in a depressed housing market  
9 as workers would have more disposable income for housing-related expenditures.

### 10 **7.3.3.4 Environmental Quality**

11 Environmental quality effects for the No Fill Alternative would be similar to those  
12 described for the Proposed Program, primarily related to offsite Port-related uses and  
13 conditions.

## 14 **7.3.4 No-Program Alternative**

15 The No-Program Alternative would represent the future baseline activity with  
16 additional projects that would be allowable under the existing PMP through 2035.

### 17 **7.3.4.1 Employment**

18 Employment under the No-Program Alternative would be less than the proposed  
19 Program and the No Fill Alternative, but would have similar types of beneficial  
20 economic effects.

### 21 **7.3.4.2 Population**

22 As in the case of the proposed Program and No Fill Alternative, population changes  
23 under the No-Program Alternative would not create housing or infrastructure that  
24 would induce population nor displace either population or housing. Construction and  
25 operations workers are expected to come mainly from the five-county region.

### 26 **7.3.4.3 Housing**

27 Access to the large labor force in the region would reduce the need for in-migration  
28 and relocation of workers. As a result, the demand for new housing in the area would  
29 be minimal, but would still provide positive benefits in a depressed housing market  
30 as workers have more disposal income for housing-related expenditures.

### 31 **7.3.4.4 Environmental Quality**

32 The potential for adverse environmental quality effects related to increased  
33 throughput caused by new projects allowable under the PMP would be similar to,  
34 although less than, that identified for the proposed Program and No Fill Alternative.  
35 Further, some new projects that would benefit environmental quality under the

1 PMPU would not occur. For example, if construction of new amenities such as  
2 recreational facilities was reduced compared to the other alternatives, certain land use  
3 conflicts between the Port and adjacent communities would not be eliminated and  
4 less additional backland would be provided to accommodate needed container and  
5 chassis storage.