



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

DATE: SEPTEMBER 12, 2018

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 18-16) TO THE JANKOVICH COMPANY FOR THE RELOCATION OF A MARINE SERVICE STATION FROM BERTH 74 TO FOUR NEARBY LOCATIONS

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 18-16 to the Jankovich Company (Jankovich) to relocate its existing marine service station to four nearby locations. Jankovich currently operates a marine service station supplying diesel fuel and gasoline to vessels at Berth 74, and this use is in conflict with the Los Angeles Harbor Department's (Harbor Department) approved Port Master Plan and development of the San Pedro Public Market. Jankovich proposes to relocate to nearby properties at Berths 51, 71, 73A, and 309 E. 22nd Street. Port Master Plan Amendment No. 29 added Maritime Support as an allowed use at Berths 51, 71, 73A, and 309 E. 22nd Street.

The proposed relocation project, as outlined in the Application for Port Permit (APP) No. 160815-117, is the financial responsibility of Jankovich. Jankovich is required to restore the Berth 74 premises, construct new and restore existing improvements at the new premises, and pay the greater of \$24,200.16 in minimum rent or percentage rent and tariff charges as outlined in Permit No. 930. The Board approved Permit 930 on August 1, 2017 through Resolution No. 17-8154, which included a \$3,000,000 rent credit to Jankovich for improvements made to the new premises. The total project cost is estimated to be \$4,000,000.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 18-16, a Level II non-appealable permit;
2. Find that the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the Los Angeles City CEQA guidelines;

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3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan;
4. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 18-16, consistent with the project description listed on APP No. 160815-117, and direct the Director of Planning and Strategy to execute and issue said permit on behalf of and as the designee of the Executive Director to issue said permit; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context - Jankovich currently operates a marine service station at Berth 74. Jankovich has operated this facility since approximately 1933; providing marine fuels and lubricants to small commercial, recreational, and fishing vessels, as well as bunker fueling services to larger vessels. Jankovich employs approximately 40 full-time employees operating out of the four tenant-owned buildings, waterfront land, submerged land, and wharf space at Berth 74 on the southern tip of the San Pedro Public Market (Ports O' Call) development site. The existing facility contains two tenant-owned diesel fuel tanks with storage capacities of 100,000 and 25,000 gallons, one 10,000-gallon gasoline tank, a tank truck transfer rack, floating fueling docks, and a wharf for berthing tugs and barges. However, the aforementioned use at Berth 74 does not conform to the Port Master Plan's Visitor-Serving land use designation or the development of the San Pedro Public Market.

The Board certified the San Pedro Waterfront Project Final Environmental Impact Statement/Environmental Impact Report (FEIS/FEIR) on September 29, 2009. The FEIS/FEIR identified Berth 74 as part of the Ports O' Call development opportunity and promenade. In 2014, to accommodate the continued operation of Jankovich's vital fuel service business within the harbor, a portion of the former Southwest Marine premises at Berth 240 was identified as a suitable site. However, due to site contamination at Berth 240, significant costs to redevelop the site, and schedule obstacles, alternative locations were explored resulting in the proposed premises.

On August 17, 2017, the Board approved Resolution No. 17-8154, adopting the Fifth Addendum to the FEIS/FEIR and approving Permit No. 930 which allows Jankovich to occupy premises located at Berths 51, 71, 73A, and 309 E. 22nd Street. Per the terms of Permit No. 930, Jankovich may occupy the property located at Berth 51 for a term of 10 years with no options. Additionally, per the terms of Permit No. 930, Jankovich may occupy the property located at Berths 71, 73A, and 309 E. 22nd Street over a 20-year term with two five-year options, and Jankovich will be required to restore the Berth 74 premises.

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On December 14, 2017, the Board adopted Port Master Plan Amendment No. 29 to add Maritime Support as allowed uses at the abovementioned locations. On April 12, 2018, the California Coastal Commission (Coastal Commission) certified, as submitted, the Port Master Plan Amendment No. 29. On June 21, 2018, the Board adopted Resolution No. 18-8310 to adopt the Coastal Commission's certification of the Port Master Plan Amendment No. 29, as stipulated In Title 14, California Code of Regulations, Section 13632(e).

Project Description - Jankovich proposes to move its current operation from Berth 74 to property at Berth 51, 71, 73A, and 309 E. 22nd Street. The building at 309 E. 22nd Street would be renovated for use as an administrative office and warehouse. The promenade as assessed in the FEIS/FEIR would be redesigned at two locations—Berth 51 and Berths 71-73A. Jankovich would operate two existing aboveground diesel tanks at Berth 71 with 150,000- and 30,000-gallon maximum capacities. Additional tanks and equipment to remain from Mike's Main Channel include a 300-gallon waste oil tank, two 4,000-gallon lubricating oil tanks, and two fuel dispensers at Berth 73A—all aboveground. Jankovich also proposes to install a new 8,000-gallon aboveground gasoline tank at Berth 73A.

The proposed Project improvements consist of:

- 309 E. 22nd Street - Renovation and reuse of a two-story building for offices and warehousing, installation of a roof mounted HVAC system and ducting, installation of a new elevator, and repaving of the adjacent parking lot.
- Berth 51 - Improvements to the wharf that will allow truck access for the transfer of petroleum products from and to barges.
- Berth 71 - Installation of piping, security fencing, traffic bollards, and electrical equipment for the reuse of existing storage tanks.
- Berth 73A - Reuse of the existing 1,487-square-foot building and existing storage tanks. Installation of two floating fuel docks and a response vessel float. Installation of an 8,000-gallon horizontal tank for storage of gasoline and aboveground piping from the tank to the two floating docks. A structure 10 feet high, 19 feet wide and 36 feet long around the gasoline tank would be constructed.

Construction is anticipated to begin in the fourth quarter of 2018 and will take approximately 6-12 months to complete.

Coastal Permit Requirements - The proposed Project is a Level II non-appealable project in accordance with Section 6.4 of the Port Master Plan. A Level II permit is required for projects that involve significant resources; cause major changes in land and/or water use and in the density or intensity of the use; have the potential of creating significant environmental impacts that can or cannot be mitigated; or are appealable. The proposed Project is a Level II CDP because the relocation of the marine service station involves

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major changes in the intensity of the use and potentially creates significant environmental impacts as outlined in Section 6.4.3 of the Port Master Plan (Transmittal 2).

Procedurally, a Level II non-appealable CDP requires a public hearing that is publicized at least fifteen calendar days prior to the scheduled date of the hearing. A public notice for the proposed development was published on September 5, 2018 (Transmittal 3).

The Director of Planning and Strategy has determined that the proposed Project is consistent with the Port Master Plan and the Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended. Located in Planning Area 1 of the Port Master Plan, this project is consistent with its Maritime Support land use designation per Amendment No. 29. The proposed Project is consistent with Section 30701 of the Coastal Act and Policy 1.3 of the Port Master Plan, which encourages the modernization of the Port in order to minimize new ports in the state.

Risk Assessment - A risk analysis was prepared by the Harbor Department in accordance with the requirements and methodologies of the Port of Los Angeles Risk Management Plan (RMP). Diesel fuel and gasoline are considered hazardous by the RMP and therefore requires a risk assessment as outlined in the RMP. The risk analysis found that the proposed Project—including the realigned promenade—is consistent with the RMP, as the proposed Project's hazard footprint does not result in an overlap of any existing, planned, or permitted vulnerable resources.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of CDP No. 18-16 to Jankovich to relocate its existing marine service station to four nearby locations, which was previously assessed under the Fifth Addendum to the certified San Pedro Waterfront FEIS/FIER. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for the proposed Project. The Board action does not authorize any expenditures related to the project. Permit No. 930 stipulates that Jankovich will pay the greater of \$24,200.16 in minimum monthly rent or percentage rent and tariff charges. Jankovich will receive \$3,000,000 in rent credits for improvements made to the premises, which will be completed at Jankovich's expense. The total project cost is estimated to be \$4,000,000.

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CITY ATTORNEY:

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

TRANSMITTALS:

1. Site Location Map
2. CDP No. 18-16
3. Public Notice

FIS Approval: MB
CA Approval: 80



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Director of Planning and Strategy



ANTONIO V. GIOIELLO
Deputy Executive Director

APPROVED:


FOR

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Executive Director

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APP No. 160815-117