



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

**DATE: APRIL 1, 2015**

**FROM: PLANNING AND STRATEGY**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 15-02) TO CATALINA CHANNEL EXPRESS, INC. TO CONSTRUCT A TWO STORY OFFICE AND WAREHOUSE FACILITY AND INSTALL WATERSIDE IMPROVEMENTS AT BERTH 95**

**SUMMARY:**

Catalina Channel Express, Inc. (Catalina Express) is proposing to construct an approximately 20,000 square-foot two-story office and warehouse facility and install waterside improvements at Berth 95. The proposed project would allow Catalina Express to include a freight shipping operation with the Santa Catalina Island Company as an ancillary use to their passenger transport services at Berth 95. City of Los Angeles Harbor Department (Harbor Department) staff is recommending that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 15-02 for the proposed project. Catalina Express is financially responsible for the \$3.6 million for the office and warehouse facility and ground improvements. The Harbor Department is financially responsible for installation of the waterside improvements, estimated to be \$280,000 for the purchase and installation of pilings by the Harbor Department's Construction and Maintenance (C&M) Division.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 15-02, a Level II non-appealable permit;
2. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan (PMP) and find that this project will have no significant adverse environmental impacts as provided in the final Initial Study/Negative Declaration (IS/ND) prepared pursuant to the California Environmental Quality Act;
3. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 15-02, consistent with the project description listed on Application for Port Permit No. 140307-025, and direct the Director of Planning and

**SUBJECT: CATALINA EXPRESS FREIGHT OPERATION AT BERTH 95**

Strategy to issue said permit upon the approval of the Second Amendment to Permit No. 897 by the Los Angeles City Council and execution by the Executive Director; and

4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – Since 1981, Catalina Express has been operating passenger transport services between San Pedro and Santa Catalina Island. More than 17 million passengers have traveled to Catalina Island on board one of the Catalina Express vessels. Today, the fleet consists of eight high-speed vessels, including four catamarans that offer up to 30 round trips daily from: San Pedro, Long Beach, and Dana Point. During peak summer months, there are five departures daily and seven departures on Saturdays from San Pedro.

Freight shipping currently occurs daily between Catalina Island and the Port of Los Angeles via the Catalina Freight Line, which operates at Berth 184 in Wilmington, California. For the past forty years, Catalina Freight Line has been the sole provider of freight shipping operations with the Santa Catalina Island Company. In November 2012, Santa Catalina Island Company released a Request For Proposals for a new contract that would begin freight operations in April 2016. The contract was awarded to Avalon Freight Services LLC, a joint venture between Catalina Express and Harley Marine Services that will operate out of Berth 95 in San Pedro adjacent to the existing passenger transport service operations through Catalina Express (Transmittal 1). Berth 95 is currently leased to Catalina Express for equipment storage.

A final IS/ND was presented to and certified by the Board on January 22, 2015.

Scope of Work – Catalina Express proposes a 20,000 square foot two-story concrete block office and warehouse facility. The facility will feature a loading dock to allow for loading and unloading of trucks on the first floor warehouse area. The ground floor warehouse area will consist of an approximately 313 square foot office area, restrooms, machine room, lobby, storage area, and six loading doors. One of the loading doors will serve as a forklift ramp. Two electrical plug-ins will be installed to an above grade truck scale in the yard area for refrigeration containers. The second story will consist of offices, workstations, conference rooms, call center, bathrooms, lunchroom, training room, server room, lobby, and storage area.

The proposed project will include minor waterside improvements to accommodate the new vessels. Both the barge and the landing craft will have ramps to load and unload cargo. An existing concrete ramp will be repaired and modified to accommodate wider vessels for safe mooring. The proposed project also consists of installation of approximately 34 timber pilings in the water. Two timber dolphins that consist of three piles each will be used to secure three new floats, which will be secured to the existing

**SUBJECT: CATALINA EXPRESS FREIGHT OPERATION AT BERTH 95**

piles located at the base of the Vincent Thomas Bridge. The remaining 28 pilings would be configured to provide four dolphins with seven timber pilings each to secure the two new vessels. An existing wood float will be removed and replaced with three fiberglass floats.

Additional site improvements include foundation piles, transformer relocation, restriping of the parking lot, and relocation of parts and boat storage. New landside operational equipment will include two electric forklifts and approximately two utility tractor rigs.

It is estimated that one vessel per day will depart from Berth 95 for freight operations utilizing a barge and/or landing craft. This is not a new trip; but rather, the shifting of an existing vessel trip from Berth 184 to Berth 95. Further, the Harbor Department conducted a vehicular trip count at Catalina Freight Line during a peak summer month to determine whether a significant volume of vehicular traffic would be shifting to Berth 95. The count determined that vehicular trips associated with freight delivery to be approximately 122 per day. These trips were spread out throughout the eight-hour day that the facility was open and were not determined to cause any adverse impact to traffic or circulation in the area. The IS/ND concluded that these volumes of vehicular traffic would not create any significant adverse impacts to traffic/circulation in the area and no mitigation measures were required.

The proposed project will allow for approximately 40 full-time and 15 part-time employees in the corporate office and call center department at Catalina Express to relocate back to San Pedro from temporary leased space in Long Beach.

Should the Board approve the issuance of CDP No. 15-02 work on the office and warehouse facility by Catalina Express is expected to begin in April 2015, and be completed in January 2016.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the PMP. 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 development of a facility, waterside improvements, and pilings project have the potential to create significant impact on Port property or the surrounding environment as outlined in Section 6.4.3 of the PMP (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 March 25, 2015 (Transmittal 3).

The proposed project has been found to be consistent with the PMP and the Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended.

**DATE: APRIL 1, 2015**

**PAGE 4 OF 5**

**SUBJECT: CATALINA EXPRESS FREIGHT OPERATION AT BERTH 95**

Located in Planning Area 1 of the PMP, this proposed project is an ancillary use to Cruise Operations land use designation of the site. Catalina Express will continue to provide passenger transport services as their main operation, and the construction of the proposed improvements will allow for ancillary freight shipping operations. The proposed project to construct a 20,000 square foot facility and install waterside improvements is consistent with Section 30708 of the Coastal Act and Policy 2.1 of the PMP which requires port-related development be given highest priority for the use of existing land within harbors to port purposes such as freight operations.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level II CDP to Catalina Express for construction of the proposed project. A final IS/ND (SCH #2014101049, APP #140307-025) for the proposed project was completed to assess the environmental impacts of the proposed project and was presented to the Board for consideration and certified prior to consideration of the CDP. The proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II Section 2(i) as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA.

**ECONOMIC BENEFITS:**

The project associated with the proposed CDP will support 30 direct and 24 secondary one-year equivalent jobs for the five-county region.

**FINANCIAL IMPACT:**

Catalina Express will bear the \$3.5 million cost to construct the office and warehouse facility including site improvements as well as be financially responsible for ongoing operating and maintenance costs subsequent to project completion. The Harbor Department will pay approximately \$280,000 for the purchase and installation of the waterside piles by the C&M Division. The Harbor Department will also provide approximately \$1.5 million in rent credit over the remaining 23-year entitlement period. The Second Amendment to Permit No. 897 is expected to achieve the Harbor Department's minimum 10 percent rate of return.

DATE: APRIL 1, 2015

PAGE 5 OF 5

SUBJECT: CATALINA EXPRESS FREIGHT OPERATION AT BERTH 95

CITY ATTORNEY:

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

TRANSMITTALS:

1. Site Location Map
2. CDP No. 15-02
3. Public Notice

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

  
MICHAEL KEENAN  
Director of Planning and Strategy

*FOR*   
MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

  
*FOR* EUGENE D. SEROKA  
Executive Director

Author: M. Lum  
APP No. 140307-025