



DATE: FEBRUARY 12, 2020

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A NON-APPEALABLE LEVEL II COASTAL DEVELOPMENT PERMIT (NO. 20-03) TO THE PORT OF LOS ANGELES FOR THE PIER 400 RAIL YARD IMPROVEMENT PROJECT

SUMMARY:

Staff requests approval to issue a Level II non-appealable Coastal Development Permit (CDP) No. 20-03 to the City of Los Angeles Harbor Department (Harbor Department) for the proposed Pier 400 Rail Yard Improvement Project (proposed project). The proposed project outlined in Application for Port Permit (APP) No. 171106-154 primarily entails construction of 40,000 feet of mainline track and crossovers in the Port of Los Angeles (Port), which will expand the storage tracks from 6 to 11 serving APM Terminals Pacific LLC (APM) on-dock railyards. The proposed project will increase capacity and use of the Pier 400 on-dock railyard by up to 525,000 Twenty-Foot Equivalent units (TEUs) annually, which represents about a 10 percent overall increase in on-dock rail capacity for the Port of Los Angeles.

On May 16, 2018, the California Transportation Commission (CTC) awarded two grants to the Port as part of the Trade Corridor Enhancement Program (TCEP) funding program. One of the two grants applies \$21,645,000 of partial funding to the proposed project with an estimated total project cost of \$49,825,000. The Harbor Department is financially responsible for \$28,180,000 of the estimated total proposed project cost.

RECOMMENDATION:

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

1. Hold a public hearing for the proposed Coastal Development Permit No. 20-03, a non-appealable Level II 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) in accordance with Article II, Section 2(i) of the Los Angeles City CEQA Guidelines;
3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan (PMP);

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4. Upon closure of the public hearing, resolve to approve the issuance of CDP No. 20-03, consistent with the project description listed on APP No. 171106-154, 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; and
5. Adopt Resolution No. _____.

DISCUSSION:

Project Background/Context – The proposed project site currently contains six rail tracks, an access road, and a rail bridge that spans approximately 400 feet of water. Navy Way, a four-lane roadway that serves Pier 400 and Terminal Island, parallels the railyard to the west. Pier T Terminal, the Navy Mole, and Nimitz Road, all within the Port of Long Beach, are directly adjacent to the east. The Port's Terminal Island intermodal rail line ultimately merges with the Alameda Corridor and a near dock railyard operated by Union Pacific Railroad (UPRR), to accommodate containerized cargo departing from ports of Los Angeles and Long Beach for destinations throughout North America.

As rail demand increases, the expanded rail yard is projected to eliminate an estimated 1,250 truck trips per day by 2040. Shifting the amount of containers currently moved off-dock miles from the Port to on-dock rail at the port complex is a key strategy of the San Pedro Bay Ports Clean Air Action Plan 2017 Update, the California Sustainable Freight Action Plan and the California Freight Mobility Plan.

On May 16, 2018, the California Transportation Commission (CTC) awarded \$27,637,000 of Trade Corridor Enhancement Program (TCEP) funds to two Harbor Department projects, the Terminal Island Railyard Enhancement project (\$21,645,000) and the Alameda Corridor Southern Terminus Gap Closure project (\$5,992,000).

Project Description – The proposed project entails construction of five new rail storage tracks totaling approximately 40,000 linear feet of rail, with 15-foot center-to-center spacing between each of the new tracks, and a short rail bridge over the water. The proposed tracks include a new 'bad order' track and a new departure track. The 'bad order' track refers to an auxiliary track used to hold locomotives and/or rail cars that require repair or have mechanical defects to avoid blocking tracks used for inbound/outbound trains.

A new asphalt access roadway will extend the full length of the proposed project area, paralleling the new tracks along the western edge. The proposed project will also include the widening of an existing concrete rail bridge which would encompass an area approximately 400 feet long by 100 feet wide (0.94 acres) that would extend over water. A new crossover will be installed at the southern end, with asphalt concrete paving between the lead tracks up to the crossover. The compressed air system at the northern edge of the proposed project area will also be relocated within the project area.

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Initial construction activities will involve clearing the landside vegetation within the proposed alignment for the new tracks. Abutment areas for the bridge will be excavated and constructed with approximately 200 piles being installed within the water gap area to support the new bridge through impact pile methods.

Construction is anticipated to begin in January 2021 and be completed by December 2022.

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 the rail yard improvements involve significant resources and could potentially create significant environmental impacts 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 February 5, 2020 (Transmittal 3).

The Director of Planning and Strategy has determined that the proposed project is consistent with the PMP and the Chapter 8 policies of the California Coastal Act of 1976 (Coastal Act). Located in Planning Area 3 of the PMP, this project is consistent with its Container land use designation. The proposed rail improvements are consistent with Sections 30701 of the Coastal Act and Policy 1.3 of the PMP, which encourages the modernization of the Port and construction of necessary facilities within the boundaries of the Port in order to minimize future dredging and filling to create new ports in new areas of the state. The proposed project is also consistent with Policy 2.1 of the PMP which directs the Harbor Department to locate, design, and construct port-related projects to (1) minimize substantial adverse impacts, (2) minimize potential traffic conflicts between vessels, (3) prioritize the use of existing land space for port purposes, (4) provide for other beneficial uses including but not limited to, recreation and wildlife habitat uses, to the extent feasible, and (5) encourage rail service to port areas and multicompany use of facilities. Specifically, the new rail yard improvements project will encourage additional rail activities through improvement of on-dock rail for Pier 400.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a Level II Non-Appealable CDP to Harbor Department. This project was previously assessed in the Final Initial Study/Mitigated Negative Declaration for the Terminal Island (Pier 400) Railyard Enhancement Project (SCH 2018081086) which was certified by the Board on October 4, 2018. Therefore, the Director of Environmental Management has determined that the proposed action has been previously evaluated pursuant to CEQA in accordance with Article II Section 2(i) of the Los Angeles CEQA Guidelines.

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FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for the proposed project. This Board action neither authorizes expenditures related to the project nor does it commit the Harbor Department to complete the project as ultimately approved. Board approval under separate future actions will be needed to award any capital construction contracts related to the proposed project.

The Harbor Department is financially responsible for \$28,180,000 of the estimated total proposed project cost of \$49,825,000.

CITY ATTORNEY:

The City Attorney's Office has reviewed this Board Report and its attachments and found that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 20-03
3. Public Notice

FIS Approval: MB
CA Approval: mt



MICHAEL KEENAN
Director of Planning and Strategy



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
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APP No. 171106-154