



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 9, 2013

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ - TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-09 FOR THE REPLACEMENT OF THREE CONTAINER CRANES AT THE EVERGREEN TERMINAL

SUMMARY:

Evergreen Terminal (Evergreen) is requesting a one-year extension to Coastal Development Permit (CDP) No. 10-09, a Level III non-appealable permit, for the replacement of three container cranes at Berths 226-231. CDP No. 10-09 became effective on January 31, 2011, and will expire prior to the replacement of the three container cranes. The project was delayed because the global economic downturn caused uncertainty about future container throughput and freight rates.

RECOMMENDATION:

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

1. Approve a one-year extension for Coastal Development Permit No. 10-09, subject to the standard conditions set forth in the permit and direct the Director of Planning and Economic Development to extend said permit; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – On January 6, 2011, the Board approved the issuance of CDP No. 10-09 to Evergreen for the replacement of three container cranes at Berths 226-231 in Master Planning Area 7 (Transmittal 1).

Evergreen has a total of eight cranes at its facility: two are Shanghai Zhenhua Port Machinery Company (ZPMC) cranes that were delivered in 2003, and six are smaller Mitsubishi cranes that were delivered in 1997. The three proposed cranes will be identical to the existing two ZPMC cranes and will have an outreach of 192 feet and a lift height of 130 feet, sufficient to work a fully loaded 8,000 TEU vessel. The new cranes will replace three of the six Mitsubishi cranes that have an outreach of

SUBJECT: TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-09

approximately 150 feet and a lift height of 110 feet, preventing these cranes from working a fully loaded 8,000 TEU vessel.

The replacement of three Mitsubishi cranes will allow Evergreen to expedite cargo handling operations by allowing an 8,000 TEU vessel to be worked with up to five of the larger cranes, resulting in efficiency gains of up to 3-4 hours while at berth. Evergreen is seeking to replace the Mitsubishi cranes because of their age, which results in a higher frequency of maintenance and downtime and the difficulty in securing replacement parts. The three Mitsubishi cranes to be replaced will be removed from the terminal.

There will be no increase in cargo throughput as a result of the proposed project, as Evergreen does not have enough backland to accommodate additional cargo. Additionally, no changes to the number of vessel calls are anticipated from this project. No impact to contiguous tenants is expected from the proposed project.

Because the three proposed ZPMC cranes will be identical to the current ZPMC cranes in terms of color, shape, and size, and there will be no net change in the number of cranes at the Evergreen terminal, potential impacts of the new cranes on visual resources would be considered less than significant.

Under the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan* (Guidelines) construction authorized through a coastal development permit must begin within two years of issuance. If necessary, an applicant may seek a one-year extension. Extensions requested prior to the expiration date automatically extend the expiration date of the permit until the Board can act on the extension request. Consistent with the Guidelines, Evergreen applied for a one-year extension for CDP 10-09 on October 3, 2012, prior to its January 31, 2013 expiration date. If approved by the Board, the CDP would be extended to January 31, 2014.

Evergreen is requesting a one-year extension because after the initial request, it was not financially feasible for Evergreen to invest in their operation because of the uncertainty of future container throughput and freight rates. Currently, Evergreen is procuring the cranes. The cranes are scheduled for delivery in January 2014. Site preparation work to accommodate the cranes will start in the fall of 2013.

Proposed Action – Staff is recommending that the Board approve a one-year extension of CDP No. 10-09 (Transmittal 2), a Level III non-appealable permit as set forth in the Guidelines. A Level III permit is one of the three levels of permits that the Board can issue. Level III permits are required for developments that involve large capital expenditures, have a risk of substantial adverse environmental impacts that can be mitigated, or result in major changes in land and/or water uses or intensity of use.

DATE: JANUARY 9, 2013

PAGE 3 OF 4

SUBJECT: TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-09

The proposed project has been found to be consistent with the Port Master Plan, as the proposed development is a General Cargo use, which is an allowable use in Master Planning Area 7. The proposed project has also been found to be consistent with Chapter 8 policies of the California Coastal Act of 1976, as amended. Specifically, the container cranes are consistent with Section 30708 that requires port-related development be given highest priority for the use of existing land within harbors for port purposes, including shipping industries.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an extension of the CDP for replacement of three existing Mitsubishi container cranes at Berths 226-231. As a replacement or maintenance activity involving mechanical equipment and facilities that are accessory to the use of an existing structure or facility and involve no expansion of use, the Director of Environmental Management has determined the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III Class 1 (32) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

The proposed one-year extension of existing Level III CDP is not expected to have a financial impact upon the Harbor Department. All costs associated with the replacement of three container cranes at Berths 226-231 will be borne by Evergreen.

DATE: JANUARY 9, 2013

PAGE 4 OF 4

SUBJECT: TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-09

CITY ATTORNEY:

This matter raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. Coastal Development Permit No. 10-09

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


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APPROVED:


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