



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: JANUARY 14, 2015**

**FROM: PLANNING & ECONOMIC DEVELOPMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 15-01) TO THE PORT OF LOS ANGELES TO CONSTRUCT WHARF AND BACKLAND IMPROVEMENTS AT BERTHS 212-224**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing wharf and backland improvements at Berths 212-224 operated by Yusen Terminals, Inc. (YTI). The proposed project involves improvement of an existing container terminal to accommodate the projected fleet mix of larger container vessels up to 13,000 twenty-foot equivalent units (TEUs). The proposed project consists of deepening two existing berths (Berths 214-216 and 217-220) of which Berths 217-220 is not currently operating but would begin operating after completion of the project. Additionally, the project would extend the existing 100-foot gauge crane rail to Berths 217-220, add a single operational rail track to the Terminal Island Container Transfer Facility (TICTF) on-dock rail, modify and replace cranes, and construct backland improvements, including utility and pipeline relocations. The proposed project would increase the capacity of the YTI Terminal from 1,692,000 TEUs annually to 1,913,000 TEUs annually, an increase of 221,000 TEUs. Improvements at the other operating berth (Berths 212-213) would be limited to backlands repairs and crane modifications. The infrastructure improvements are needed to accommodate larger vessels that are anticipated to call at the terminal in the future.

The Harbor Department will be financially responsible for the berth and backland improvements with an estimated design and construction cost of \$58.4 million. YTI will be responsible for quay crane modifications and replacements, and ExxonMobil will be responsible for pipeline relocations. Staff is recommending that the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 15-01, a Level II non-appealable permit for the proposed project.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 15-01, a Level II non-appealable permit;

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2. Find that the proposed project conforms with the certified Port Master Plan and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
3. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 15-01, consistent with the project description listed on Application for Port Permit No. 130204-020, and direct the Director of Planning & Economic Development to issue said permit; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – The Harbor Department is proposing wharf and backland improvements to accommodate larger vessels (Transmittal 1). The fleet mix of vessels calling at the Port of Los Angeles (Port) is trending toward larger vessels as shipping lines continue to increase the size of the vessels they are building. Many terminal berths and cranes within the Port and across the country were not designed to handle vessels of the size that are projected to enter the fleet mix over time. Modifications to these facilities and equipment are necessary to allow for the efficient servicing of these vessels. The fleet mix of the YTI Terminal is expected to include vessels of up to 13,000 TEUs through the end of the terminal's lease in 2026. The proposed project would complete modifications to the terminal to allow them to service vessels up to 13,000 TEUs.

The Board certified a Final Environmental Impact Report (EIR) for the proposed project on November 7, 2014. On December 18, 2014, the Board approved the eleventh amendment to Permit No. 692 with YTI to extend the lease ten years to 2026.

Scope of Work – The proposed project would be constructed in two phases over an approximately 22-month schedule, and is expected to begin in mid-2015. Phase I is expected to last approximately 12 months and would consist of deepening Berths 217–220 (including installation of sheet piles), extending the 100-foot gauge crane rail, expanding the TICTF, relocating two Harbor Department-owned cranes, relocating and realigning two YTI quay cranes, delivering and installing up to four new quay cranes, raising and extending up to six YTI quay cranes, and conducting backland surface improvements. Phase II is expected to take approximately 10 months and would involve deepening Berths 214–216 (including installation of king piles and sheet piles) and conducting backland surface improvements. No physical changes would occur at Berths 221–224 except for paving work in the backland area and improvements at the other operating berth (Berths 212-213) would be limited to backlands repairs and crane modifications. The improvements to Berths 217–220, including the extension of the 100-foot gauge crane rail, would increase the number of operating berths at the YTI Terminal from two to three.

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Project components are as follows:

- Extending the height and outreach of up to six existing quay cranes;
- Replacing up to four existing non-operating quay cranes;
- Dredging and installing sheet piles and king piles at Berths 214–216 and 217–220;
- Extending the existing 100-foot gauge landside crane rail to Berths 217–220;
- Performing ground repairs and maintenance activities in the backland area; and
- Expanding the TICTF on-dock rail by adding a single operational rail track.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the Port of Los Angeles certified Port Master Plan (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 (Transmittal 2). The proposed project is a Level II CDP because wharf and backlands improvements involve significant resources, cause major changes in the intensity of the use, and potentially create significant environmental impacts as outlined in Section 6.4.3 of the PMP.

Procedurally, a Level II non-appealable CDP requires a public hearing that is noticed at least fifteen calendar days prior to the scheduled date of the hearing. A public notice for the proposed development was published on January 7, 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. Located in Planning Area 3 of the PMP, this project is consistent with its container land use designation. The proposed project of wharf and backlands 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 cargo operations.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level II CDP for construction of the YTI project. The environmental impacts of the project were assessed in a Final EIR (SCH #2013041017, APP #130204-020), which was certified by the Board on November 7, 2014. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

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**ECONOMIC BENEFITS:**

The proposed project is anticipated to support 750 direct and secondary one-year equivalent construction-related jobs and a net total of 2,241 direct and secondary long-term jobs related to operations.

**FINANCIAL IMPACT:**

Approval of the CDP is a procedural requirement for the proposed YTI project. The Harbor Department will be responsible for the estimated cost of \$58.4 million for berth and backland improvements, while crane modifications and replacements as well as pipeline relocations will be the responsibility of YTI and ExxonMobil, respectively. Funding will come from the Capital Improvements budget, Project No. 25198, Budget Program No. 000, and Expenditure Org. 1165. Award of the capital construction contract will be brought before the Board in a separate future action which will provide the final construction cost of the proposed project. Preliminary analysis indicates that undertaking the proposed project would likely conform to the Harbor Department's Board-adopted rate of return policy. Based on the additional throughput capacity created as a result of the proposed project, a deposit to the Port Community Mitigation Trust Fund in the amount of approximately \$773,500 will be submitted for approval in a separate Board action.

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**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. 15-01
3. Public Notice

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



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APPROVED:



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Executive Director

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APP No. 130204-020