



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MARCH 2, 2016

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 16-01) TO SA RECYCLING, LLC TO INSTALL A MOBILE HARBOR CRANE AT BERTHS 210-211

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 16-01 for the proposed SA Recycling Crane Replacement and Electrification Project (proposed Project).

SA Recycling, located at Berths 210-211 on Terminal Island within the Port of Los Angeles (Port), performs general scrap metal and processing and recycling of automobiles and appliances which are then loaded onto vessels using a mobile harbor crane (crane) to be exported overseas.

The crane at the site is a 1996 California Air Resource Board (CARB)-certified Tier 2 diesel crane. The proposed Project seeks to replace the existing crane with a less-polluting and quieter CARB-certified Tier 4 diesel/electric hybrid crane using grant funding awarded by the United States Environmental Protection Agency. There are infrastructure improvements needed at the site to electrify the wharf but the facility's operations will not be altered or expanded as a result of the new crane. SA Recycling is financially responsible for the proposed project cost of \$5 million.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 16-01, a Level II non-appealable permit;
2. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan and find that this project will have no significant adverse environmental impacts as provided in the Final Initial Study/Negative Declaration 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. 16-01, consistent with the project description listed on

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Application for Port Permit No. 151203-136, and direct the Director of Planning and Strategy to issue said permit; and

4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – SA Recycling is a full-service ferrous and non-ferrous metal recycler and processor operating out of Berths 210-211 on Terminal Island with the Port of Los Angeles (Transmittal 1). Services at the facility include general scrap metal processing and recycling of items such as automobiles and appliances brought in by the public or businesses. The operation includes shredding, shearing, sorting, baling, torching and auto crushing as well as automobile decommissioning. Materials processed at the site are loaded onto vessels using a crane to be exported overseas. The crane currently being used at the site is a 1996 CARB-certified Tier 2 diesel crane.

In 2014, SA Recycling, in coordination with the Los Angeles Harbor Department, submitted and was awarded a grant through the U.S. Environmental Protection Agency's Diesel Emission Reduction Act (DERA) to help offset the purchase of a new Tier 4 diesel/electric hybrid crane. After January 2017, the crane will run solely on electricity except for no more than 12 hours per year for routine maintenance. The new crane is a Liebherr 500 mobile crane that arrived at Berths 206-209 partially disassembled as part of a routine cargo delivery.

Project Objectives – The objective of the proposed Project is for SA Recycling to operate a new lower-emitting crane that will have significant air quality benefits to the community as well as to the South Coast Air Basin. The new crane is consistent with the objectives of the Clean Air Action Plan (CAAP) as well as mitigation measures included in the Port's Master Plan Environmental Impact Report (EIR) for replacement of equipment with the cleanest available technology.

Project Description – Site improvements will occur at Berth 210 to accommodate the electric crane. Site improvements include the removal of asphalt and dirt for the trenching of approximately 400 linear feet between the wharf and the on-site substation to allow for electricity at the wharf. This construction phase is minor and is expected to occur over the course of approximately three weeks. Construction will begin upon completion of the engineering design for the electrification. Other project components include the assembly of the new crane and the dismantling of the existing crane; although the dismantling and disposal of the existing crane will be conducted during normal business operations at the facility. There are no operational changes or expansions as a result of the proposed Project.

SA Recycling's leasehold footprint, rail access, number of inbound and outbound scales, and permit restrictions on the amount of material the shredder can process, all limit SA Recycling's throughput. Therefore, the new crane will not increase throughput

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at the facility. The height in normal working mode (with boom angle at 55 degrees) for the existing American crane is 115 feet and the height of the new Liebherr crane is 187 feet, resulting in an increase of 72 feet. The crane has a maximum lifting capacity of 144 tons.

SA Recycling will bear all costs, estimated at \$5 million of the proposed project. Should the Board approve the issuance of CDP No. 16-01, installation and operation of the mobile harbor crane by SA Recycling is expected to begin in March 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 installation of a crane has 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 2, 2016 (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 proposed project is a consistent use with the dry bulk facility land use designation of the site. The proposed project to install and operate a mobile harbor crane 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 approval to issue a Level II Non-Appealable CDP to SA Recycling for replacement of the existing mobile shoreside crane with a new hybrid diesel/electric crane and associated electrical improvements required to electrify the crane. The replacement of the crane will not change or increase operations at the facility. The environmental impacts of the underlying project have been assessed in a Final Negative Declaration, which will be considered for approval by the Board prior to issuance of the CDP.

FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for SA Recycling to replace their existing mobile harbor crane. The acquisition, installation, and maintenance costs

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associated with the new crane and the removal costs of the old crane will be borne by SA Recycling.

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. 16-01
3. Public Notice

FIS Approval: MB (initials)
CA Approval: [Signature] (initials)



MICHAEL KEENAN
Director of Planning and Strategy



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



FOR
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