

**DATE: APRIL 2, 2024**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - CERTIFICATION OF SUBSEQUENT ENVIRONMENTAL IMPACT REPORT TO THE HUGO NEU-PROLER LEASE RENEWAL ENVIRONMENTAL IMPACT REPORT FOR THE SA RECYCLING AMENDMENT TO PERMIT NO. 750 PROJECT (LOS ANGELES HARBOR DEPARTMENT APPLICATION FOR PORT PERMIT NO. 190916-128; STATE CLEARINGHOUSE NO. 93071074)**

**SUMMARY:**

Staff requests certification of the Final Subsequent Environmental Impact Report (SEIR) and approval of the lease extension for the SA Recycling Amendment to Permit No. 750 Project (Project) prepared in accordance with the California Environmental Quality Act (CEQA) (Pub. Resources Code, §§ 21000 et seq., 21166; CEQA Guidelines, § 15162).

The proposed Project is located at 901 New Dock Street on Terminal Island, 90731. The applicant seeks an amendment to Permit No. 750 to allow for an up to 10-year extension of existing operations, with up to five additional years for use of the site as a non-operational restoration period for any necessary closure and remediation activities to restore the property.

In this action, the Board of Harbor Commissioners (Board) will need to independently review and consider the adequacy of the Final SEIR and, if deemed adequate under CEQA, certify the SEIR and adopt a Mitigation Monitoring and Reporting Program (MMRP). With the application of mitigation measures and lease measures, the proposed Project would not result in any new significant impacts or impacts that are substantially more severe than those determined in the 1996 EIR.

**RECOMMENDATION:**

It is recommended that the Board:

1. Certify the Final Subsequent Environmental Impact Report to the Hugo Neu-Proler Lease Renewal Environmental Impact Report for the SA Recycling Amendment to Permit No. 750 Project (a) has been completed in compliance with the California

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Environmental Quality Act (Public Resources Code §21000 et seq.), with the California Environmental Quality Act Guidelines (14 Cal. Code Regs. §15000 et. seq.), and the City of Los Angeles California Environmental Quality Act Guidelines; (b) was presented to the Board of Harbor Commissioners for review and the Board of Harbor Commissioners considered the information contained in the Final Subsequent Environmental Impact Report prior to approving the Proposed Project; and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department, and that all required procedures have been completed;

2. Adopt the Findings of Fact;
3. Find that, in accordance with the information contained in the Final Subsequent Environmental Impact Report, the proposed Project will not have significant environmental effects on the environment as defined by Public Resources Code Sections 21068 and 21082.2, and the State California Environmental Quality Act Guidelines, Sections 15064, 15064.4, 15064.5, and 15382;
4. Find that, in accordance with the provisions of the California Environmental Quality Act Guidelines Section 15091(a)(1), changes or alterations have been required in, or incorporated into, the proposed Project, which substantially lessens or avoids one or more of the significant adverse environmental impacts identified in the Final Environmental Impact Report;
5. Find that, all information added to the Final Subsequent Environmental Impact Report after public notice of the availability of the Draft Subsequent Environmental Impact Report for public review but before certification, merely clarifies, amplifies, or makes insignificant modifications in an adequate Subsequent Environmental Impact Report and recirculation is not necessary;
6. Adopt the Mitigation Monitoring and Reporting Program as required by Public Resources Code, Section 21081.6. The Mitigation Monitoring and Reporting Program is designed to ensure compliance with the mitigation measures, lease measures, and standard conditions adopted to avoid or lessen significant effects on the environment, pursuant to and identifies the responsibilities of the City of Los Angeles Harbor Department, as lead agency, to monitor and verify project compliance with those mitigation measures and lease measures;
7. Approve the Proposed Project identified in the Subsequent Environmental Impact Report including all feasible mitigation measures and lease measures with consideration of the Findings of Fact and the Mitigation Monitoring and Reporting Program;

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8. Direct the Cargo and Industrial Real Estate Division to incorporate by reference the Subsequent Environmental Impact Report, mitigation measures, lease measures, and Mitigation Monitoring and Reporting Program into any and all lease agreements or assignments encompassed in the approved Project;
9. Authorize the Environmental Management Division to post a Notice of Determination with the Los Angeles County Clerk and the State Clearinghouse; and
10. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context – SA Recycling (Applicant) has operated a scrap-metal recycling facility on the Project site since September 1, 2007 when they obtained assignment of Permit No. 750 under Order No. 69250. In 2019, the Applicant submitted an Application for Port Permit (Permit) (APP No. 190916-128) to the City of Los Angeles Harbor Department (Harbor Department) expressing interest in extending the permit beyond its current termination date of 2024. In 2021, an addendum assessing an extension to the Permit was prepared by the Applicant and released for public review from August 12 through October 12, 2021. Comments received from regulatory agencies and community stakeholders requested the Harbor Department evaluate the proposed Project through a more robust analysis, such as an EIR. After considering the comments and documentation received in support of those comments, the Harbor Department decided not to adopt the addendum and decided to conduct further environmental analysis as part of an SEIR. It was also determined that the proposed Project would not affect any federal permits or require any federal approvals. Therefore, no National Environmental Policy Act (NEPA) evaluation was required.

Multiple comments were received on the Draft EIR, with the vast majority being in support of the proposed Project.

Project Objectives - The primary objectives of the Project are to:

- Extend the Applicant’s existing Permit to remain effective for a period of up to 10 years to allow continued operation and up to an additional five years to restore the property.
- Maintain the use of an existing permitted metal recycling site for 10 years to provide long-term scrap metal reclamation and recycling capacity consistent with applicable local and state regulatory requirements.
- Utilize an existing permitted metal recycling site to continue providing economical, efficient and safe metal recycling and bulk export by vessel in the Southern California region to meet current and future anticipated demands.

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- Allow for ongoing metal recycling activities while ensuring the protection of health, safety and the environment.
- Ensure restoration of the project site consistent with foreseeable future requirements, including removing the structures and installations from the SA Recycling premises in accordance with site closure and remediation work plans, as required by the Harbor Department and trustee/responsible agencies.
- Prevent the release or threatened release of hazardous substances from uses on the Project site.

Project Description – The proposed Project would amend Permit No. 750 to allow a 15-year extension, which would be carried out in two phases. Phase 1 (Continued Operation) would allow 10 years (2024–2034) of the continued existing operation as scrap-metal facility. Phase 2 (Non-operational Restoration Period) would allow an additional five years (2034–2039) for the demolition and excavation of the Project site. No changes would occur to the use on the Project site during Phase 1, nor new construction or operations, other than routine maintenance or replacement of equipment. The site would continue to be open to receive scrap-metal material Monday through Friday from 6:00 a.m. to 6:00 p.m. and on Saturday from 6:00 a.m. to 3:00 p.m. Operations would continue to occur 24 hours a day during operational days. No construction or operational changes or increases are proposed for the first 10 years.

**ENVIRONMENTAL ASSESSMENT:**

CEQA Responsibilities – The Harbor Department is the CEQA lead agency for the proposed Project. As such, the Board is responsible for reviewing and considering the Final SEIR (Transmittal 1) and, at its discretion, certifying that the Final SEIR has been completed in accordance with CEQA, the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines; has been presented to the Board for review and the Board considered the information contained in the Final SEIR, and that it reflects the independent judgment and analysis of the Harbor Department. Certification of the Final SEIR must precede the project approval. Project approval requires that the Board first independently review and certify the Final SEIR as adequate; then adopt the Finding of Facts (FOF) for the proposed Project (Transmittal 2) and the feasibility of mitigation measures and alternatives; and adopt a MMRP (Transmittal 3).

Scope and Content of Environmental Document – The Draft SEIR, released January 4, 2024, incorporates, as appropriate, information received on the Notice of Preparation (NOP) for the proposed Project, assesses environmental impacts of the proposed Project, and analyzes mitigation measures to reduce or avoid significant environmental effects. The Final SEIR clarifies and amplifies the Draft SEIR, incorporates modifications and corrections, contains responses to all public comments made on the Draft SEIR, and contains records of the public process.

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Intended Uses of the SEIR – The SEIR informs public agency decision-makers and the general public of the significant environmental effects of the proposed Project and recommends mitigation measures to minimize the significant effects. The SEIR assesses the potential impacts, including cumulative impacts, related to the proposed Project. The analysis in the SEIR supports future potential discretionary actions of the Board. For the Harbor Department, these actions could include but are not limited to issuance of coastal development permits, issuance of engineering permits, and approval of Permit amendments.

Environmental Documentation Process and Public Involvement – The proposed Project was subject to the required environmental documentation process that included public disclosure as required by CEQA. The procedural steps of the process are described below.

1. Notice of Preparation (NOP) – In accordance with the Los Angeles City CEQA Guidelines, Article VI, Section 1.5, and the State CEQA Guidelines, Section 15082, the responsible agencies, participating City agencies, and other concerned parties were consulted through an NOP released in March 2023 and public scoping meeting held on April 11, 2023 via Zoom. Six comments were received during the scoping meeting, all in support of the proposed Project, and a total of twenty-three written comment letters were received from various agencies and the public during the comment period, which closed on April 28, 2023. Eighteen comment letters were in support of the proposed Project.

Copies of the NOP were available for review online at [www.portoflosangeles.org/ceqa](http://www.portoflosangeles.org/ceqa) and at the Harbor Department's Environmental Management Division office.

2. Draft EIR – The Draft SEIR was released for public review on January 4, 2024. The document was made available on the Port of Los Angeles website and notices were mailed and emailed to over 100 interested parties. The 48-day comment period closed on February 19, 2024.

Public notices of availability stating that the Draft SEIR was available for review were published in six newspapers: Los Angeles Times, Torrance Daily Breeze, Long Beach Press Telegram, Random Lengths, Metropolitan News Enterprise, and La Opinión.

A public hearing was held on January 17, 2024 via Zoom to present the findings of the environmental analysis and accept oral comments. Thirty-four oral comments were received at the public hearing. A total of twenty-nine written comments were received from various agencies and the public during the 48-day public comment period.

3. Responses to Comments – As required by Public Resources Code Section 21092.5, all public responsible and trustee agencies who commented on environmental issues

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in the Draft SEIR were provided with proposed responses to those comments 10 days prior to the Final SEIR being submitted to the Board for certification.

4. Final EIR – In accordance with the Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines, Section 15088, comments received on the Draft SEIR were evaluated. The comment letters and responses to comments, along with minor modifications to the Draft SEIR are presented in the Final SEIR. The Final SEIR was completed in March 2024.
5. Findings and Conclusions – The Final SEIR and FOF, transmitted herewith, identify major findings and conclusions and feasible mitigation measures. The discussion below summarizes the proposed FOF for the Board’s consideration.
6. Proposed Mitigation Measures – In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines Section 15091, and the information contained in the SEIR, changes or alterations have been required in, or incorporated into the project as recommended for approval in the form of feasible mitigation which substantially lessen or avoid significant adverse environmental impacts identified in the SEIR.

Mitigation measures contained in the SEIR would be incorporated as appropriate in permits, such as engineering specifications, engineering construction permits, real estate entitlements, and/or coastal development permits for the proposed Project. All mitigation measures, lease measures and any standard conditions of approval can be found in the MMRP.

7. SEIR Certification and Project Approval – In light of these findings and conclusions, staff recommends certification of the Final SEIR as prepared in accordance with CEQA and implementing guidelines and recommends approval of the proposed Project and adoption of all feasible mitigation measures and lease measures.
8. Implementation of Mitigation – When making the CEQA findings required by Public Resources Code Section 21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code Section 21081.6 for changes to the proposed Project which it has adopted or made a condition of Project approval to mitigate or avoid significant effects on the environment. A MMRP is transmitted for Board consideration and adoption. In addition, should the Board elect to approve the proposed Project, the mitigation measures contained in the SEIR would be incorporated as appropriate in permits, such as, engineering specifications, engineering construction permits, real estate entitlements, and/or coastal development permits for the proposed Project.

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9. Record of Proceedings – When making CEQA findings required by Public Resources Code Section 21081(a), a public agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based. These records are in the care of the Director of Environmental Management, City of Los Angeles Harbor Department, 425 S Palos Verdes Street, San Pedro, California 90731.
  
10. Notice of Determination – In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines Section 15094, a Notice of Determination will be filed with the Office of Planning and Research and the County Clerk’s Office after Project approval. Public Resources Code Section 21167(c) provides that any action or proceeding alleging that an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the Notice of Determination.

**FINANCIAL IMPACT:**

Certification of the Final SEIR and approval of the proposed extension is an administrative action that would pave the path forward for implementation of the Project. Total cost associated with the preparation of the environmental document to date is \$ 257,208 paid out of Account 11225 (Receivable), Center 7000 (Liability), Program 000 (Base Budget). This expense is the financial responsibility of SA Recycling, LLC under Agreement No. 22-9882. SA Recycling, LLC has been invoiced for \$219,895 of which \$158,074 has been reimbursed to the Harbor Department.

**CITY ATTORNEY:**

Based upon the information presented to the City Attorney’s Office, the Board may certify that the SEIR for the SA Recycling Amendment to Permit No. 750 Project has been completed in compliance with CEQA.

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**TRANSMITTALS:**

1. Final Subsequent Environmental Impact Report
2. Findings of Fact
3. Mitigation Monitoring and Reporting Program

FIS Approval: MB (initials)

CA Approval: SO (initials)



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