



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 5, 2018

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 18-01) TO THE PORT OF LOS ANGELES FOR THE BERTHS 226-236 [EVERPORT] CONTAINER TERMINAL IMPROVEMENTS PROJECT

SUMMARY:

Staff requests that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 18-01 to the Los Angeles Harbor Department (Harbor Department) to redevelop the existing container terminal at Berths 226-236. The redevelopment project would improve marine shipping and commerce at the existing Everport Container Terminal located on Terminal Island to accommodate larger container vessels (up to 16,000 twenty-foot equivalent units (TEUs) that are anticipated to call at the Everport Container Terminal during the proposed lease extension through December 31, 2038 under Permit 888. The project would consist of deepening two existing berths (Berths 226–229 and Berths 230–232), adding five new 100-foot gauge container (ship-to-shore) cranes, raising up to five existing operational cranes, adding five Alternative Maritime Power (AMP) vaults, and constructing backland improvements.

The project would also increase the capacity of the Terminal Island Container Transfer Facility (TICTF) by adding tracks to this on-dock facility. The project would expand the existing container terminal from 205 acres to approximately 229 and would allow dredging approximately 1,400 linear feet of wharf to design depth at Berths 226-229 of -53 feet mean low low water (MLLW) and Berth 230-232 of -47 feet MLLW. The project would close portions of Terminal Way, Barracuda Street, Tuna Street, and Ways Street and reroute Terminal Way traffic to Cannery Street with improvements to Cannery Street.

The project will redevelop and expand the existing container terminal as outlined in the Application for Port Permit (APP) No. 131015-136. The project is estimated to cost \$58.7 million. Staff recommends approval of CDP 18-01.

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RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 18-01, a Level II non-appealable permit;
2. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) and Article II Section 2(i) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan;
4. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 18-01, consistent with the project description listed on Application for Port Permit No. 131015-136, and direct the Director of Planning and Strategy to issue said permit; and
5. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – The Berths 226-236 container terminal is leased and operated by Everport Terminal Services, Inc. The Everport Container Terminal gradually developed through infill between 1971 and 1988. Prior to this, the site was used for shipping, but had slips for shipping boats with adjacent warehouse buildings (no longer extant). The 205-acre Everport Container Terminal consists of a cargo ship loading/unloading area, a large container handling and storage yard, and container terminal buildings and areas. In addition, the Everport Container Terminal shares an on-dock rail facility, the TICTF, with the YTI Container Terminal (Transmittal 1). There are eight existing container (ship-to-shore) cranes located at the Everport Container Terminal. The TICTF, which opened in 1997, currently serves the Everport Container Terminal and the nearby YTI Container Terminal. The TICTF consists of eight rail tracks, each approximately 2,300 feet long. The Everport Container Terminal currently operates the four southernmost rail tracks and the YTI Container Terminal operates the four northernmost rail tracks of the TICTF.

On October 19, 2017, the Board approved and certified the Final Environmental Impact Report for the Berths 226-236 Everport Container Terminal Improvement Project (Berths 226-236 FEIS/EIR) (APP# 131015-136, SCH# 2014101050). The Board approved Alternative 5, as identified in the EIR, during that same regular meeting. Alternative 5 was similar to the proposed alternative, but unlike the proposed project, Alternative 5 would increase the capacity of the TICTF by adding track to process more containers at this on-dock facility. CDP 18-01, consistent with Alternative 5, would increase the capacity of the

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Everport Container Terminal from 1,818,000 TEUs annually to 2,379,525 TEUs annually by 2030, which is an increase of 561,525 TEUs. The U.S. Army Corps of Engineers issued the Record of Decision in January 2018 (SPL-2013-00756-TS).

Project Description – The project would be constructed over an approximately 24-month schedule. Construction would allow ongoing terminal operations with one berth shut down at a time. Under the proposed lease amendment, operation of the proposed facility after modification would now continue until December 31, 2038. The proposed modifications include improvements to and expansion of the existing Everport Container Terminal currently in operations at Berths 226-236. The primary components include the following:

- Dredging (38,000 cubic yards with ocean disposal at LA-2) and installing king piles and sheet piles at Berths 226-229 and Berths 230-232;
- Addition of five new 100-foot gauge container (ship-to-shore) cranes and the associated electrical infrastructure, and raising up of five existing cranes;
- Addition of five Alternative Maritime Power (AMP) vaults at Berths 226-232;
- Construction of one additional rail track at the TICTF to increase the capacity of the Everport portion of the on-dock railyard;
- Development of approximately 1.5 acres of vacant land as new backlands and development of approximately 22 acres as new backlands with the relocation of the main gate. The development of the 22 acres would require closure (vacation) of streets within this backlands expansion area and demolition of existing structures; and
- Lease extension by 10 years for continued operations from December 31, 2028 to December 31, 2038.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the 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. 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 (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 June 6, 2018 (Transmittal 3).

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The Director of the Division 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 (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 approval of a Level II non-appealable CDP No. 18-01 to redevelop the existing container terminal at Berths 226-236 which was previously assessed in Berths 226-236 FEIS/EIR and certified by the Board on October 19, 2017. Therefore, as an administrative activity for which the underlying projects have been previously 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 administratively exempt from the requirements of CEQA under Article II Section 2(f) and Article II Section 2(i) of the Los Angeles City CEQA Guidelines. This project also included a federal Environmental Impact Statement under the National Environmental Policy Act (NEPA), which falls under the jurisdiction of the U.S. Army Corps of Engineers (USACE). A Record of Decision was filed by the USACE and the Los Angeles Harbor Department was issued a Department of the Army permit for the project in January 2018.

FINANCIAL IMPACT:

Approval of the CDP is a procedural requirement for the proposed Berths 226-236 [Everport] redevelopment project. This Board action does not authorize any 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 contract related to the project and any approval of a lease extension with Everport under its existing Permit No. 888. The Harbor Department has programmed a total of \$58,690,741 for Everport improvements into the 10-year Capital Improvements Program, which also includes the costs to complete the EIR/EIS. The Harbor Department's financial return on the project will be fully detailed in any future Board actions requesting approval of capital expenditures and lease extension under Permit No. 888. However, preliminary financial analysis indicates the undertaking of the project would conform to the Harbor Department's Board adopted rate of return policy. Aside from mitigation and lease measures that are the responsibility of the tenant as outlined in the Mitigation Monitoring and Reporting Program, the project, as ultimately approved, is the financial responsibility of the Harbor Department.

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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. 18-01
3. Public Notice

FIS Approval: 
CA Approval: 


MICHAEL KEENAN
Director of Planning and Strategy

FOR 
MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA *FOR*
Executive Director

Author: D. Jordan

APP No. 131015-136