

# GROWTH-INDUCING IMPACTS

## 8.1 Introduction

The State of California CEQA Guidelines require an EIR to discuss the ways in which a proposed Project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. This includes ways in which the proposed Project would remove obstacles to population growth or trigger the construction of new community services facilities that could cause significant effects (State CEQA Guidelines, Section 15126.2).

NEPA requires an EIS to examine the potential of the proposed Project to significantly or adversely affect the environment; potential impacts could be either direct or indirect. Indirect effects (NEPA, 40 CFR 1508.8[b]) may include growth-inducing effects and other effects related to induced changes in the pattern of land use, population density, or growth rate, and related effects on air, water, and other natural systems including ecosystems.

To address this issue, potential growth-inducing effects are examined through the following considerations:

- removal of obstacles to growth, e.g., through the construction or extension of major infrastructure facilities that do not presently exist in the project area or through changes in existing regulations pertaining to land development;
- expansion requirements for one or more public services to maintain desired levels of service as a result of the proposed Project or alternatives;
- facilitation of economic effects that could result in other activities that could significantly affect the environment; and/or
- setting a precedent that could encourage and facilitate other activities that could significantly affect the environment.

It should be noted that growth-inducing effects are not to be construed as necessarily beneficial, detrimental, or of little significance to the environment. This issue is

1 presented to provide additional information on ways in which this proposed Project  
2 could contribute to significant changes in the environment, beyond the direct  
3 consequences of developing the land use concept examined in the preceding sections  
4 of this EIS/EIR.

5 The analysis presented below focuses on whether the proposed Project or alternatives  
6 would directly or indirectly stimulate or accommodate growth in the surrounding  
7 area.

## 8 **8.2 Growth-Inducing Impact Analysis**

9 As discussed below, the proposed Project and Alternatives 1 through 5 would foster  
10 economic growth but would not directly induce population growth or the construction  
11 of new housing in the Port's region of influence (Los Angeles, Orange, Riverside,  
12 San Bernardino, and Ventura Counties). Although the proposed Project and  
13 alternatives would lead to development of a currently underutilized industrial area  
14 and increase commercial and recreational use, this would not stimulate significant  
15 population growth or remove obstacles to population growth.

16 As stated in the Project Description (Chapter 2) the overall purpose of the proposed  
17 project is to:

18 ...increase public access to the waterfront, allow additional visitor-serving  
19 commercial development within the Port, respond to increased demand in the  
20 cruise industry, and enhance transportation within and around the Port. The  
21 proposed Project seeks to achieve these goals by improving existing  
22 infrastructure and providing new infrastructure facilities, providing waterfront  
23 linkages and pedestrian enhancements, providing increased development and  
24 redevelopment opportunities, and providing berthing opportunities for increased  
25 cruise ship capacity.

26 Given this overall purpose, the project and alternatives are essentially designed not  
27 only to improve the Port itself, but also to foster private sector economic investment  
28 and growth by making the waterfront more attractive and user-friendly for both  
29 residents of the area and visitors. A more attractive and user-friendly waterfront will  
30 encourage the development of residential and commercial properties in the nearby  
31 community because of the desirability of being located near the improved waterfront.

32 Neither the proposed Project nor the alternatives include the development of new  
33 housing or infrastructure that would directly induce population growth. However,  
34 anecdotal evidence suggests that the impending proposal for the San Pedro  
35 Waterfront Project has already encouraged some developers to invest in Downtown  
36 San Pedro with new projects, highlighting the proposal for the enhanced waterfront  
37 as a future amenity. Such additional development will necessarily result in some  
38 additional environmental impacts such as traffic congestion, air quality impacts,  
39 increased noise levels, and aesthetics/visual changes. Whether the impacts of such  
40 future development are or are not significant would depend upon the specific uses  
41 proposed, as well as their density and intensity. Such future development would

1 likely be subject to CEQA analysis that would evaluate its impacts, some of which  
2 might be significant. Thus, the proposed Project and alternatives may result in some  
3 significant growth-inducing effects.

4 The proposed Project and Alternative 2 would include upgrading existing Berths 45–  
5 47 for use as a cruise ship berth in the Outer Harbor and would include construction  
6 of a new berth at Berths 49–50 for a new cruise ship berth. Alternatives 1 and 3  
7 would include upgrading existing Berths 45–47 for use as a cruise ship berth in the  
8 Outer Harbor but would not include construction of a new berth at Berths 49–50 for a  
9 new cruise ship berth. The proposed Project and Alternatives 1 through 5 would  
10 include construction of new cruise ship terminals (see Section 2.4.2.2.1 for a  
11 description of each improvement) to accommodate anticipated cruise passenger  
12 demand through 2037. Passenger throughput is anticipated to increase over the  
13 project horizon from 1,150,548 passengers in 2006 to 1,440,946 passengers per year  
14 by 2015 (project buildout), and up to 2,257,335 passengers per year by 2037. The  
15 new cruise facilities are designed to accommodate projected growth in demand for  
16 cruise vacations. The environmental impacts associated with provision of these  
17 facilities are discussed throughout the respective sections of this draft EIS/EIR and  
18 include air quality impacts, traffic congestion, increases in noise, aesthetic/visual  
19 impacts, water quality degradation, and increased public services and utility  
20 consumption.

21 The expansion of the cruise facilities would indirectly result in economic growth by  
22 providing patrons for commercial development along the waterfront and in  
23 downtown San Pedro. There would be sales generated by businesses engaged in  
24 supplying services and materials to the vessels while in port, as well as businesses in  
25 the San Pedro area visitor industry that supply services to cruise passengers staying in  
26 hotels before and after the cruise and those purchasing food and retail items prior to  
27 or after the cruise. Cruise passengers eating at a local restaurant would create direct  
28 economic benefits for the restaurant. Of the economic benefits related to the cruise  
29 industry, the harbor area (comprising San Pedro and Wilmington) captures 42% of  
30 the revenue generated by activities directly and indirectly supporting the cruise  
31 industry (Martin Associates 2007).

32 Additionally, the construction of the new harbors as part of the proposed Project and  
33 Alternatives 1 through 4 would increase vessel traffic within the harbor, specifically  
34 the Main Channel and the Outer Harbor area. The proposed Project and Alternatives  
35 1 through 4 also provide for transient boating opportunities at the new harbors,  
36 thereby increasing recreational boating traffic. However, the proposed Project and  
37 Alternatives 1 through 4 would demolish existing marina slips in Ports O'Call,  
38 replacing them at the Cabrillo Way Marina, which would offset some increases in  
39 boat traffic along the Main Channel.

40 The proposed Project and Alternatives 1 through 5 include up to 300,000 square feet  
41 of commercial development in Ports O' Call (a doubling of existing commercial  
42 development, except for Alternative 3 that would include 187,500 square feet of new  
43 development). This commercial development is intending to capture some business  
44 from the cruise industry, as well as providing commercial restaurant and retail uses  
45 for local and regional visitors. The impacts associated with the increased commercial

1 development, either as a result of the cruise expansion or on an independent basis, are  
2 discussed throughout the respective sections of this draft EIS/EIR and include air  
3 quality impacts, traffic congestion, increases in noise, and increased public services  
4 and utility consumption. The proposed Project and Alternatives 1 through 5 would  
5 also likely stimulate commercial growth in downtown San Pedro by providing  
6 linkages to the waterfront. However, given the existing vacancy of commercial space  
7 in the downtown area, the proposed Project and alternatives are not likely to result in  
8 new construction beyond upgrades to facades and building interiors. The potential  
9 growth, however, could increase traffic, air quality, and noise impacts but would  
10 likely improve the aesthetic and visual quality of the downtown San Pedro area.

11 The proposed new cruise facilities, increase in cruise operations, and increase in  
12 commercial, recreational development, and construction activities associated with the  
13 overall project would provide new local and regional employment opportunities. As  
14 discussed in Chapter 7, “Socioeconomics and Environmental Quality,” the proposed  
15 Project and alternatives would result in direct increases in employment attributable to  
16 terminal operations under proposed Project conditions. The proposed Project and  
17 Alternatives 1 through 5 would also indirectly generate employment from businesses  
18 serving the cruise industry and other development related to the proposed Project. Of  
19 the economic benefits related to the cruise industry, the harbor area (comprising San  
20 Pedro and Wilmington) is home to up to 52% of the jobs directly and indirectly  
21 supporting the cruise industry (Martin Associates 2007). The cruise ship industry in  
22 the Port would generate up to approximately 3,025 jobs in 2015 and 3,157 jobs in  
23 2037 in the Los Angeles area. Additionally, the commercial development is  
24 anticipated to generate up to 600 jobs. Construction of the proposed Project and  
25 Alternatives 1 through 5 would entail a large effort over a 5-year period and is  
26 expected to generate up to 7,363 construction jobs.

27 The proposed Project’s and alternatives’ contributions to regional employment would  
28 account for less than 0.1% of regional employment. Given the highly integrated  
29 nature of the southern California economy and the prevalence of cross-county and  
30 inter-community commuting by workers between their places of work and places of  
31 residence, it is unlikely that a substantial number of workers would change their  
32 place of residence in response to the new Port-related employment opportunities.  
33 Such potential residential relocation is especially unlikely given that about half the  
34 new jobs created are secondary and, by their nature, distributed throughout the five-  
35 county region. Thus, in the absence of changes in place of residence by persons  
36 likely to fill the job opportunities, distributional effects to population and, thus,  
37 housing assets, are not likely to occur. Accordingly, negligible impacts on  
38 population, housing, and community services and infrastructure are anticipated.

39 The proposed Project and alternatives would accommodate economic and physical  
40 growth by providing additional harbor and transportation infrastructure. As part of  
41 the proposed Project and Alternatives 1 through 5, transportation system  
42 improvements would be constructed in the vicinity of the proposed project site to  
43 accommodate increased traffic to the proposed and existing harbor facilities,  
44 including both roadway and rail facility projects (see Section 2.4.2.3 for a description  
45 of each improvement). Construction of the additional transportation infrastructure  
46 would not trigger or cause substantial new residential or other development in the

1 proposed project area. However, these transportation improvements would  
2 accommodate the anticipated growth from the proposed Project and alternatives, and  
3 would allow increased development to occur. The impacts of the proposed  
4 infrastructure improvements have been adequately assessed in the respective sections  
5 of this draft EIS/EIR. It should also be noted that the transportation system  
6 improvements are designed to improve existing systems or minimize impacts on  
7 existing systems in concert with new development.

8 As discussed in Section 3.13, “Utilities and Public Services,” implementation of the  
9 proposed Project and alternatives would generate increased demand for water, natural  
10 gas, and electricity. However, neither the proposed Project nor alternatives would  
11 require upgrades or new construction of major water, natural gas, or power  
12 infrastructure. Existing infrastructure and supplies are adequate to serve the  
13 proposed Project and alternatives. Although the site currently has water supply,  
14 natural gas, and power infrastructure, additional local distribution facilities would  
15 need to be extended to new facilities. These new utilities would tie into the existing  
16 utilities that currently serve the proposed project site. These improvements would  
17 accommodate expected growth associated with the proposed Project and alternatives.

18 The proposed Project and alternatives would result in minimal increases in  
19 wastewater output. As discussed in Section 3.13, “Utilities and Public Services,”  
20 adequate capacity exists in the existing sewer trunk lines in the proposed project area  
21 to accommodate anticipated increases in wastewater output associated with proposed  
22 project operations. Wastewater flows generated from implementation of the  
23 proposed Project and alternatives would be conveyed to, and treated by, the Terminal  
24 Island Treatment Plant. The treatment plant currently operates at 55% capacity.  
25 Therefore, no increased capacity of wastewater infrastructure would be required to  
26 serve the proposed Project and alternatives.

27 In summary, the proposed Project and alternatives would induce growth and  
28 accommodate growth in the project area. The impacts of the growth are adequately  
29 assessed within this draft EIS/EIR, where impacts are known, and some are  
30 determined to be significant. Other potential growth-inducing/accommodating  
31 impacts that may occur (i.e., extent of new construction outside of, but adjacent to,  
32 the project area) would be too speculative to analyze and provide the significance  
33 determination.

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