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

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

8 8.2 Growth-Inducing Impact Analysis

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

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

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

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

Neither the proposed Project nor the alternatives include the development of new housing or infrastructure that would directly induce population growth. However, anecdotal evidence suggests that the impending proposal for the San Pedro Waterfront Project has already encouraged some developers to invest in Downtown San Pedro with new projects, highlighting the proposal for the enhanced waterfront as a future amenity. Such additional development will necessarily result in some additional environmental impacts such as traffic congestion, air quality impacts, increased noise levels, and aesthetics/visual changes. Whether the impacts of such future development are or are not significant would depend upon the specific uses proposed, as well as their density and intensity. Such future development would
likely be subject to CEQA analysis that would evaluate its impacts, some of which might be significant. Thus, the proposed Project and alternatives may result in some significant growth-inducing effects.

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

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

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

The proposed Project and Alternatives 1 through 5 include up to 300,000 square feet of commercial development in Ports O’Call (a doubling of existing commercial development, except for Alternative 3 that would include 187,500 square feet of new development). This commercial development is intending to capture some business from the cruise industry, as well as providing commercial restaurant and retail uses for local and regional visitors. The impacts associated with the increased commercial
development, either as a result of the cruise expansion or on an independent basis, are discussed throughout the respective sections of this draft EIS/EIR and include air quality impacts, traffic congestion, increases in noise, and increased public services and utility consumption. The proposed Project and Alternatives 1 through 5 would also likely stimulate commercial growth in downtown San Pedro by providing linkages to the waterfront. However, given the existing vacancy of commercial space in the downtown area, the proposed Project and alternatives are not likely to result in new construction beyond upgrades to facades and building interiors. The potential growth, however, could increase traffic, air quality, and noise impacts but would likely improve the aesthetic and visual quality of the downtown San Pedro area.

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

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

The proposed Project and alternatives would accommodate economic and physical growth by providing additional harbor and transportation infrastructure. As part of the proposed Project and Alternatives 1 through 5, transportation system improvements would be constructed in the vicinity of the proposed project site to accommodate increased traffic to the proposed and existing harbor facilities, including both roadway and rail facility projects (see Section 2.4.2.3 for a description of each improvement). Construction of the additional transportation infrastructure would not trigger or cause substantial new residential or other development in the
proposed project area. However, these transportation improvements would accommodate the anticipated growth from the proposed Project and alternatives, and would allow increased development to occur. The impacts of the proposed infrastructure improvements have been adequately assessed in the respective sections of this draft EIS/EIR. It should also be noted that the transportation system improvements are designed to improve existing systems or minimize impacts on existing systems in concert with new development.

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

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

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