



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

**DATE: JUNE 7, 2017**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - ADOPTION OF THE FINAL INITIAL STUDY/NEGATIVE DECLARATION AND APPROVAL OF THE REMOVAL OF UNDERGROUND STORAGE TANKS AT CABRILLO MARINA, BERTH 31 PROJECT (LOS ANGELES HARBOR DEPARTMENT APPLICATION FOR PORT PERMIT NO. 161121-169; STATE CLEARINGHOUSE NO. 2017051002)**

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners (Board) adopt the Final Initial Study/Negative Declaration (IS/ND) for the proposed Removal of Underground Storage Tanks at Cabrillo Marina, Berth 31 Project (proposed Project) along with comments and responses to comments, and approve the proposed Project as described in the Final IS/ND.

The proposed Project involves the removal of three, 10,000 gallon underground storage tanks (USTs) and all associated electrical utilities, pumps, conveyances, and fuel dispensers with possible additional soil remediation activities, as necessary, following the excavation and removal of the tanks. Cathay Bank is financially responsible for all costs associated with the proposed Project, including tank removal and subsequent remediation activities.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that, pursuant to the State California Environmental Quality Act Guidelines Section 15074, the Final Initial Study/Negative Declaration for the Removal of Underground Storage Tanks at Cabrillo Marina, Berth 31 Project, (a) has been completed in compliance with the State California Environmental Quality Act Guidelines and the Los Angeles City California Environmental Quality Act Guidelines; (b) was presented to the Board for review and was reviewed and considered by the Board prior to approving the proposed Project; and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department as the Lead Agency;

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2. Find that, based on the whole record before it, including, (a) the information contained in this report; and (b) the Final Initial Study/Negative Declaration for the Removal of Underground Storage Tanks at Cabrillo Marina, Berth 31 Project, the proposed Project would not have a significant effect on the environment pursuant to Public Resources Code Section 21080 and State California Environmental Quality Guidelines Section 15070;
3. Find that all information added to the Final Initial Study/Negative Declaration after the public review period, but before adoption, merely clarifies, amplifies, or makes insignificant modifications, and that recirculation is not necessary;
4. Adopt the Final Initial Study/Negative Declaration for the Removal of Underground Storage Tanks at Cabrillo Marina, Berth 31 Project;
5. Authorize the Environmental Management Division to file the Notice of Determination for the subject proposed Project with the Los Angeles City and County Clerks;
6. Approve the Removal of Underground Storage Tanks at Cabrillo Marina, Berth 31 Project; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Project Background/Context - Cathay Bank is the owner of all improvements at the proposed Project site, which include the three, 10,000-gallon USTs and all associated electrical utilities, pumps, conveyance lines, fuel dispensers, and other appurtenances installed in 1985. In August 1992, petroleum hydrocarbon odors were discovered in the sewer system beneath the proposed Project site and inside the former Madeo Restaurant adjacent to the USTs. An investigation by the City of Los Angeles Harbor Department (LAHD) confirmed soil and groundwater contamination in the area surrounding the tanks due to the piping connection which had shifted over time causing a leak. No leaks were identified from the two other USTs. The leak was reported by LAHD to the Los Angeles Regional Water Quality Control Board (LARWQCB) in August 1992 and was subsequently repaired. Groundwater remediation/monitoring resulting from the leak is on-going under LARWQCB Case No. 907310061A.

On December 4, 1985, Sally Ornella and C.F. Lancaster, a Joint Venture, dba Mike's Marine (Mike's Marine) entered into CA518 with the LAHD. On January 15, 1986, the Board approved the transfer and assignment by Mike's Marine to Cathay Bank of all rights, title, and interest in and to CA518. On January 22, 1986, Board Order No. 5490

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assigned CA518 from Mike's Marine to Cathay Bank for security purposes. On February 7, 1992, Cathay Bank foreclosed upon the Deed of Trust and acquired all rights, title, and interest in and to CA518, including the responsibility for the clean-up of any residual contamination, removal of the USTs, and ultimately closure of LARWQCB Case No. 907310061A associated with the leak from the gasoline tank.

As indicated in Section 8(c) of CA518, Cathay Bank as Concessioner is required to "remove, at its sole cost and expense, all works, structures, improvements and pipelines of any kind whatsoever placed or maintained on the premises...including those works, structures and improvements placed by Concessioner's predecessors and made a part of the premises described and shall, in any event, leave the surface of the ground in a level, graded condition with no excavations, holes, hollows, hills or humps..." Furthermore, Section 8(c) states, "Upon the expiration of the term of this Agreement, Concessioner shall quit and surrender possession of the premises to Board in at least as good and usable condition, acceptable to Executive Director, as the same were in at the time of the first occupation thereof by Concessioner...." As such, Cathay Bank will be responsible for clean-up of any hazardous materials and remediation related to the underground gasoline storage tanks and fueling dock. In November 2016, Cathay Bank submitted an Application for Port Permit (No. 161121-169) to carry out the excavation and removal of the USTs, consistent with the terms of CA518.

Project Objectives – The objective of the proposed Project is for Cathay Bank to remove all improvements on the property at Berth 31, which consists of three USTs and associated appurtenances, and to clean-up any residual contamination, as required per CA518.

Project Description – This proposed Project would excavate and remove three, 10,000 gallon USTs, including a 10,000-gallon gasoline tank that was determined to have leaked at its piping connection and was subsequently repaired. Specifically, the proposed Project would include installation of shoring (i.e., temporary support structures to facilitate excavation); demolition and removal of the existing overlying concrete slab and surrounding asphalt pavements; and soil excavation to facilitate removal of the three USTs and all associated electrical utilities, pumps, conveyance lines, fuel dispensers, and other appurtenances.

Following removal of the three USTs and all visibly stained soils to the satisfaction of the Los Angeles Fire Department Inspector, the base and the sidewalls of the excavation would be sampled by LAHD. Once sampling is completed, the excavation would be backfilled and repaved with asphalt consistent with the material and grade of the existing parking lot at the proposed Project site.

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If extensive soil and/or groundwater contamination is identified during sampling, additional remediation of the soil and/or groundwater may be required by the LARWQCB. This potential phase of work may involve additional excavation of chemically impacted soils and/or treatment of groundwater. Following the completion of contaminated soil excavation and any other additional remediation activities, the area would be backfilled and repaved with asphalt consistent with the existing parking lot material and grade.

**ENVIRONMENTAL ASSESSMENT:**

California Environmental Quality Act (CEQA) Documentation and Public Involvement - The Harbor Department as the CEQA Lead Agency has prepared an IS/ND for the proposed Project in compliance with the State California Environmental Quality Act Guidelines and the Los Angeles City California Environmental Quality Act Guidelines which contains the following: a description of the proposed Project and location, an initial study checklist, an analysis of potential impacts and proposed findings.

The Draft IS/ND, dated May 1, 2017 was circulated for public review and comment for a period of 30 days beginning on May 1, 2017, and ending on May 31, 2017. In accordance with State CEQA Guidelines §15072, a Notice of Intent (NOI) to adopt the IS/ND was issued on May 1, 2017. Approximately 120 notices were mailed to agencies, stakeholders, neighbors and other interested parties. The notice and accompanying Draft IS/ND was filed with the Los Angeles City and County Clerks and was made available for public review on the Port of Los Angeles website at: <http://www.portoflosangeles.org>; at the City of Los Angeles Harbor Department Environmental Management Division at 222 West 6<sup>th</sup> Street, San Pedro, CA 90731; at the Los Angeles City Library, San Pedro Branch at 931 S. Gaffey Street, San Pedro, CA 90731; and at the Los Angeles City Library, Wilmington Branch at 1300 North Avalon, Wilmington, CA 90744. Pursuant to State CEQA Guidelines § 15073, the Draft IS/ND was submitted to the State Clearinghouse for review by state agencies. A public hearing was not conducted during the public review period for the Draft IS/ND and is not required pursuant to State CEQA Guidelines § 15202.

Public Comments Received and Response to Comments – A total of four comment letters were received during the public review period of the Draft IS/ND. The comment letters were from the following entities: Native American Heritage Commission, the Department of Toxic Substances Control, the Department of Transportation and the South Coast Air Quality Management District. One comment addressed the lack of discussion regarding Native American consultation pursuant to Assembly Bill 52 while the majority of the comments provided clarification of regulatory authority and/or permits that may be required depending on whether soil contamination is encountered, stormwater runoff occurs, and permits that may be required depending on the size of

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the vehicles used to transport construction equipment. Copies of the comment letters and staff responses to comments are included in the Final IS/ND.

Based on the comments provided, staff identified no new environmental effects that were not assessed in the Draft IS/ND and no mitigation is required. Changes added to the Final IS/ND after the public review period merely clarify, amplify, or make insignificant modifications. None of the issues raised during the comment period trigger the need to re-circulate the Final IS/ND pursuant to the requirements of State CEQA Guidelines § 15073.5.

Finding and Conclusions - The Final IS/ND includes a discussion of the proposed Project's effects on the existing environment. No significant effects on the environment were identified and no mitigation is required. The proposed Project is limited to construction and remediation activities with no operational component. Construction activities will follow the Harbor Department's *Sustainable Construction Guidelines*, which require the use of cleaner and newer technologies for reducing air emissions. Any hazardous materials encountered during construction will comply with existing regulations for handling, transport, and disposal.

Record of Proceedings - When adopting an IS/ND as required by State CEQA Guidelines §15074, the 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, 222 West 6<sup>th</sup> Street, San Pedro, CA.

Notice of Determination - In accordance with the State CEQA Guidelines §15075, a Notice of Determination will be filed with the Los Angeles City and County Clerks after the proposed Project is approved. The filing of the Notice of Determination starts a 30-day statute of limitations on court challenges to the approval under CEQA.

**FINANCIAL IMPACT:**

This Board item recognizes the completion of the Final IS/ND for the proposed Project in compliance with CEQA. The estimated cost for the preparation of the IS/ND is approximately \$54,000 paid out of Account 54260, Center 0330, Program 000. The costs associated with the implementation of the proposed Project, including removal of the tanks and subsequent remediation activities, will be the responsibility of Cathay Bank.

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CITY ATTORNEY:

Based upon the information presented to the City Attorney's Office, the Board may certify that the Final Initial Study/ Negative Declaration has been completed in compliance with CEQA.

TRANSMITTAL:

1. Final Initial Study/Negative Declaration



CHRISTOPHER CANNON  
Director of Environmental Management

FIS Approval: MB (initials)  
CA Approval: J (initials)



MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
Executive Director

CC/yo  
AUTHOR: NICOLE ENCISO  
APP NO.: 161121-169

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