

DATE: JUNE 12, 2024

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A NON-APPEALABLE LEVEL II COASTAL DEVELOPMENT PERMIT (NO. 23-03) TO APM TERMINALS PACIFIC LTD. FOR THE REPLACEMENT OF THREE CONTAINER CRANES AT PIER 400

SUMMARY:

Staff requests approval to issue a Level II non-appealable Coastal Development Permit (CDP) No. 23-03 to APM Terminals Pacific Ltd. (APMT) for the replacement of three ship to shore (STS) container cranes at Pier 400 to support ongoing terminal operations. APMT will be financially responsible for the payment of expenses related to the removal of existing cranes and installation of new cranes.

RECOMMENDATION:

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

1. Hold a public hearing for the proposed Coastal Development Permit No. 23-03, a non-appealable Level II permit;
2. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III, Class 2(2) of the Los Angeles City CEQA Guidelines;
3. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan (PMP);
4. Upon closure of the public hearing, resolve to approve the issuance of CDP No. 23-03, consistent with the project description listed on Application for Port Permit No. 230208-021, and direct the Director of Planning and Strategy to execute and issue said permit on behalf of and as the designee of the Executive Director; and
5. Adopt Resolution No. _____.

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DISCUSSION:

Project Background/Context – Permit No. 827 grants APMT the use of approximately 512 acres of land, berths, and facilities for container terminal and ancillary operations. Permit No. 827 and the Supplemental Environmental Impact Report (SEIR) for the Pier 400 Container Terminal and Transportation Corridor Project were approved by the Board on October 5, 1999. Pier 400 opened with 10 cranes, and has added an additional 9 cranes since opening, which brings the total to 19 cranes. APMT is now proposing to remove three of its existing older container cranes and replace them with three new cranes. The total number of STS cranes at Pier 400 would remain 19. The replacement cranes will improve APMT’s operational efficiency when handling vessels loaded above the maximum height of the replaced cranes.

Project Description – The proposed project includes the delivery of three new STS cranes manufactured by Shanghai Zhenhua Heavy Industries Company Limited at Pier 400 (Transmittal 1). APMT currently has three cranes with a boom-down height of 325 feet, seven cranes with a height of 324 feet, two cranes with a height of 292 feet, four cranes with a height of 252 feet, and three cranes with a height of 229 feet. The proposed project would remove three of the 252-foot cranes and replace them with three new 292-foot cranes. No demolition activities would occur on site, nor would any diking, filling, or dredging of any water areas occur.

The 292-foot cranes, while 40 feet taller than the 252-foot cranes they are replacing, would not be the largest cranes at Pier 400 where over half of the 19 cranes are 324 feet tall or taller.

The new 292-foot cranes would improve the operational efficiency of APMT, as the 252-foot cranes cannot be used to reach the top 3 rows of containers on a fully loaded vessel carrying 13,000 or more twenty-foot-equivalent container units (TEU). APMT currently must let the 252-foot cranes sit idle until its taller cranes have cleared the top rows of the vessel, and only then can the vessel be worked by the full complement of cranes assigned to it. Without the need to work around the limitations of the three 252-foot cranes, APMT would gain flexibility in scheduling vessels and make more efficient use of its wharf and cranes.

While the three 292-foot cranes would improve APMT’s operational efficiency, this improvement is not great enough to alter the overall capacity of the APMT wharf. The Harbor Department commissioned AECOM to conduct a detailed operational and capacity analysis of the entire APMT wharf to assess the effect of the proposed project (Transmittal 2). AECOM used their BERTHA model, a proprietary simulation model that

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quantifies the annual wharf capacity of a terminal by simulating an entire year of vessel movements to and from a wharf under maximum possible volume conditions. This is the same methodology used for all Port of Los Angeles assessments of wharf capacity.

Through iterative simulations, the BERTHA model yields the combination of larger and smaller vessels that yields the greatest volume of containers that can be moved across the entire wharf over a typical week and year. The linear wharf space constrains the number and size of vessels that can dock at the wharf at any one time. AECOM simulated APMT's wharf operations with its current mix of crane sizes and with the mix of crane sizes under the proposed project. Simulation results revealed that while the proposed project improved operational flexibility, the gains were not large enough to change the overall berth capacity; under both simulations, the maximum number and size vessels that the APMT wharf could handle at capacity were the same. In other words, the same number of containers will be handled by STS crane operators at capacity with or without the proposed project.

Coastal Development Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the PMP (Transmittal 3). 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. Section 6.4.3 of the PMP lists crane addition and/or replacement as an example of a project requiring a Level II CDP.

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 12, 2024 (Transmittal 4).

The Director 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 of 1976 (Coastal Act). Located in Planning Area 3 of the PMP, this container crane STS project is consistent with its Container land use designation. The proposed project is consistent with Sections 30701 of the Coastal Act and Policy 1.3 of the PMP, which encourages the modernization of the Port and construction of necessary facilities within the boundaries of the Port in order to minimize future dredging and filling to create new ports in new areas of the state. The proposed project is consistent with Section 30708 of the Coastal Act and Policy 2.1 of the PMP on the location, design, and construction of development in order to 1) minimize substantial adverse impacts, 2) minimize potential traffic conflicts between vessels, and 3) prioritize the use of existing land use for the port purpose of shipping industries.

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Review and Consideration of the Proposed Project – Section 6.7.3 of the PMP provides that all decisions of the Board shall be accompanied by written conclusions about the consistency of the application with the PMP and the Coastal Act, and findings of fact and reasoning supporting the decision. Approval of an application shall be accompanied by specific findings of fact supporting the following legal conclusions: (a) that the development is in conformity with the PMP; and (b) that either the development will have no significant adverse environmental impacts, or there are no feasible alternatives or mitigation measures as provided in CEQA which would substantially lessen any significant adverse impact that the development as finally proposed may have on the environment. Such findings are recommended in this Report, and if adopted through a Board resolution, are intended to effectuate compliance with the foregoing requirements.

Alternatively, should the Board in its discretion decline to approve the proposed CDP it has the ability to make findings in connection with that action and in regard to conformity with the PMP, the Coastal Act, and/or CEQA.

It also should be noted that, while the PMP provides that “Board action on Level II Coastal Development Permits shall be decided by majority vote of those members present. Board members may vote “yes” or “no,” or may abstain from voting. An abstention shall not be deemed a “yes” vote,” the Los Angeles Administrative Code (LAAC) Division 21 - Departments & Commissions, Section 21.19 requires Commissioners who are present to vote with a “yes” or “no” vote without abstentions. If there is non-vote or an abstention by a Commissioner present when the question is put to the Board, the LAAC requires the record to reflect it as a “yes” vote. In connection with this item, the LAAC, not the PMP, will be followed on the subject of abstentions.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the Non-Appealable Level II CDP No. 23-03 to APMT Pier 400 Crane Project, which is an activity for the replacement of an industrial structure with a new structure of substantially the same size, capacity, and purpose. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 2(2) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed CDP has no direct financial impact to The City of Los Angeles Harbor Department. Acquisition, installation, as well as ongoing annual operating, and maintenance costs associated with the cranes would be borne by APMT.

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CITY ATTORNEY:

The Office of the City Attorney has determined that based on the information presented the Board may approve the item.

TRANSMITTALS:

1. Site Location Map
2. APMT Crane Replacement Capacity/Operational Analysis
3. CDP No. 23-03
4. Public Notice

FIS Approval: JS
CA Approval: SO

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APP No. 230208-021