



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

DATE: OCTOBER 10, 2012

FROM: ENVIRONMENTAL MANAGEMENT

**SUBJECT: RESOLUTION NO. _____ - FINAL ENVIRONMENTAL IMPACT
REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER
PROJECT (SCH NO. 2010121013)**

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) certify the Final Environmental Impact Report (EIR) for the City Dock No. 1 Marine Research Center Project (Project) in accordance with the California Environmental Quality Act (CEQA), and approve the Project. The City Dock No. 1 Project involves the development of a marine research center within a 28-acre portion of the 400-acre San Pedro Waterfront Plan (SPWP) area along the west side of the Los Angeles Harbor's Main Channel. The Project would be built out in two phases and involves the following major project elements:

- Adaptive reuse of the transit sheds at Berths 57-60 to accommodate marine research laboratory, classroom, and meeting spaces within a collaborative environment to create research synergies among universities, colleges, government agencies, and business ventures;
- Wharf retrofits of Berths 57-60 and related infrastructure, including a seawater circulation system and berthing facilities for large research vessels as well as street improvements;
- Construction of a new building at Berth 56 with classrooms and a lecture hall/auditorium;
- Relocation of the Southern California Marine Institute (SCMI) from its existing location at Berth 260 on Terminal Island to Berths 56 and 57;
- Development of an interpretive center open to the public;
- Establishment of a marine science business park/incubator space with offices and research laboratory space within Berths 58-60 transit sheds;
- Installation of floating docks in the East Channel to accommodate smaller research vessels;

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

- Integration with and development of the waterfront promenade along the water's edge, consistent with the approved San Pedro Waterfront Project while not impacting the health and safety of the visiting public; and
- Development of Berths 70 and 71, following the planned demolition and remediation of the existing Westway Terminal site. This development would include the construction of a new building for National Oceanographic and Atmospheric Administration (NOAA) operations, the use of existing berthing space for research vessels, and the construction of a new building to host a natural seawater wave-tank facility.

Prior to approving the Project, the Board will need to certify the Final EIR, make specific Findings of Fact (FOF) regarding the significant environmental impacts of the Project and mitigation measures to reduce or avoid such impacts, adopt a Statement of Overriding Considerations (SOC) and adopt a Mitigation Monitoring and Reporting Program (MMRP) to track mitigation. With the application of mitigation measures, lease measures, and standard conditions of approval, significant and unavoidable impacts from the Project remain related to air quality, cultural resources, greenhouse gases (GHGs), noise, and cumulative impacts.

Construction of the Project (Phase 1 and 2) is currently estimated to create 4,100 direct and indirect construction-related jobs. Once fully implemented, the Project would provide marine businesses and industries that would create local technology development and manufacturing job opportunities as well as the follow-on creation of new "green jobs."

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Certify that the Final Environmental Impact Report for the City Dock No. 1 Marine Research Center Project which has (a) been completed in compliance with the California Environmental Quality Act, with the State of California Environmental Quality Act Guidelines, and the Los Angeles City California Environmental Quality Act Guidelines, (b) was presented to the Board of Harbor Commissioners for review and the Board considered the information contained in the Final Environmental Impact Report prior to approving the Project, and (c) reflects the independent judgment and analysis of the City of Los Angeles Harbor Department, and that all required procedures have been completed;
2. Adopt the Findings of Fact and Statement of Overriding Considerations;

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

3. Find that, in accordance with the information contained in the Final Environmental Impact Report, the Project will have significant environmental effects on Air Quality, Greenhouse Gases, Cultural Resources, Noise and Cumulative Impacts; as defined by Public Resources Code sections 21068, 21080, 21082.2, and 21083 and the State of California Environmental Quality Act Guidelines, Sections 15064, 15064.4, 15064.5, and 15382;
4. Find that, in accordance with the provisions of the State of California Environmental Quality Act Guidelines Section 15091(a)(1), changes or alterations have been required in, or incorporated into, the Project that substantially lessen or avoid the significant adverse environmental impacts identified in the Final Environmental Impact Report;
5. Find that, in accordance with the provisions of the State of California Environmental Quality Act Guidelines Section 15091(a)(3), specific economic, legal, social, technological, or other considerations, make infeasible certain mitigation measures and Project alternatives identified in the Final Environmental Impact Report. Impacts to Air Quality, Greenhouse Gases, Cultural Resources, Noise and Cumulative Impacts remain significant and unavoidable even after all feasible mitigation is adopted;
6. Find that all information added to the Final Environmental Impact Report after public notice of the availability of the Draft Environmental Impact Report for public review but before certification merely clarifies, amplifies, or makes insignificant modifications in an adequate Environmental Impact Report and recirculation is not necessary;
7. Find that, in accordance with Public Resources Code Section 21081(b) and State of California Environmental Quality Act Guidelines Section 15093, the benefits of the Project outweigh the significant and unavoidable environmental impacts of the Project, and adopt the Findings of Fact and Statement of Overriding Considerations;
8. Adopt the Mitigation Monitoring and Reporting Program transmitted herewith as required by Public Resources Code, Section 21081.6. The Mitigation Monitoring and Reporting Program is designed to ensure compliance with the mitigation measures adopted to mitigate or avoid significant effects on the environment, pursuant to the responsibilities of the City of Los Angeles Harbor Department, as lead agency, to monitor and verify Project compliance with those mitigation measures, lease measures, and conditions of the Project approval;
9. Approve the Project identified in the Environmental Impact Report including all feasible mitigation measures, lease measures, and standard Project conditions

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

with consideration of the Findings of Fact and Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program;

10. Direct the Real Estate Division to incorporate by reference the Environmental Impact Report, mitigation measures, lease measures, standard Project conditions and Mitigation Monitoring and Reporting Program into any and all lease agreements or assignments encompassed in the approved Project;
11. Authorize the Environmental Management Division to file the Notice of Determination for the Project with the Los Angeles County Clerk, the Los Angeles City Clerk, and the State Secretary of Resources; and
12. Adopt Resolution No. _____.

DISCUSSION:

Background – The City of Los Angeles Harbor Department (Harbor Department) operates the Port of Los Angeles (Port) under the legal mandates of the Port of Los Angeles Tidelands Trust (Los Angeles City Charter, Article VI, Sec. 601; California Tidelands Trust Act of 1911) and the California Coastal Act (PRC Div 20 S30700 et 9 seq.), which identify the Port and its facilities as a primary economic resource of the state and an essential element of the national maritime industry for promotion of commerce, navigation, fisheries, and harbor operations. Activities should be water dependent and give highest priority to navigation, shipping, and necessary support and access facilities to accommodate the demands of foreign and domestic waterborne commerce. The Harbor Department is chartered to develop and operate the Port to benefit maritime uses and functions as a landlord by leasing Port properties to more than 300 tenants. The Port is the nation’s busiest container port, handling 7.9 million twenty-foot equivalent units (TEUs) of cargo containers in 2011.

In addition to moving containerized cargo, the Port’s diverse maritime operations include shipping dry bulk items such as scrap metal, steel, and food; cruise vessel terminals, marinas, retail, and tourist shops; and commercial fishing, sport fishing, and a recreational beach area. In 2003, the State Tidelands Trust was amended by Assembly Bill (AB) 2769 to allow funds in the Port to be spent on education, recreation, culture, and tourism. This legislation allows the Harbor Department to further expend funds on non-maritime uses, such as the revitalization of a visitor-serving waterfront for Los Angeles County.

Project Background - The Project was devised in concept during the planning for the SPWP. However, at the time, details for programming the site were not known, and, therefore, as part of the SPWP, the Project site was programmatically analyzed for

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

future “institutional/research and development” use in the SPWP EIR certified by the Board of Harbor Commissioners (Board) on September 29, 2009.

The Harbor Department and SCMI (a consortium of the eight California State University (CSU) campuses, the University of Southern California (USC), Occidental College, and the University of California at Los Angeles (UCLA)), with support from the Annenberg Foundation, and advice and input from area academic and research institutions, local aquariums, business leaders, environmental organizations, and community groups in San Pedro and Wilmington, joined together to develop a City Dock No. 1 urban marine research center vision, as detailed in the March 2009 visioning study (SCMI 2009). This visioning study compiles and organizes a diverse body of material from academic marine researchers at various campuses, community stakeholders, non-university educators, public officials, and designers into a single volume to envision the outlines of what has the potential to become a major center for marine research on the West Coast. Since completion of the visioning study, the Harbor Department, SCMI, and other City Dock No. 1 stakeholders have been working together to develop a plan to create a marine research center that can provide facilities for a cluster of university researchers, educational programs, and spin-off marine science technology ventures. The Project is a result of this joint effort.

Project Objectives - The primary CEQA objectives of the Project are to:

- Adaptively reuse Berths 56-60 and 70-71 to provide marine researchers in Southern California with world-class marine research facilities including laboratories, a seawater circulation system, offices, classrooms, a lecture hall/auditorium, and storage space to study the most pressing marine-related problems of the day.
- Construct a natural seawater wave-tank to allow scientists from around the world to study tsunamis, rogue waves, and the generation of wave energy; conduct vessel and platform studies; and conduct coastal engineering studies.
- Provide space within the Los Angeles Harbor to relocate, upgrade, and expand SCMI's operations, which are currently located at Berth 260 in Fish Harbor.
- Provide an opportunity for the SCMI and its members, government and other institutional researchers and research organizations with multiple deep draft berths to accommodate vessels ranging in size from small to large 300-foot vessels adjacent to landside facilities.
- Provide a location for a marine-related business incubator park for synergy among research and commercial interests, and develop commercial technologies to address marine environmental problems.

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

- Provide public amenities, including public education classroom space and interpretive exhibits related to marine studies and a café, along with a waterfront promenade, consistent with the SPWP, while not impacting the health and safety of the visiting public.

Project Description – The Project would adaptively reuse the transit sheds at Berths 57–60 and the adjacent Berths 70–71 site and buildings (e.g., transit centers) to provide world-class marine research facilities and space to bring together leading researchers and entrepreneurs, including SCMI, southern California universities and colleges, government research agencies, such as the National Oceanographic and Atmospheric Administration (NOAA), and businesses to conduct cutting-edge urban marine research and education, and develop technologies to address the most pressing problems of the day. The Project would rehabilitate the existing buildings and wharves to house state-of-the-art marine research and educational facilities and provide deep draft berthing space for research vessels and, by providing for a cluster of university researchers, educational programs, and spin-off marine science technology ventures.

The major Project elements are listed in the Summary section above. The Project would be built out in two phases. Phase I, which is anticipated to begin in late 2012 and conclude in 2016, would include the conversion of Berths 56 and 57 into a new SCMI facility and development of an interpretive center open to the public. The majority of the remaining Project elements would be constructed under Phase II, which is anticipated to commence construction in 2013 and conclude around 2024.

All construction staging and material laydown would occur within the Project site at Berths 70-71 and the Sampson Way and 22nd Street Parking Lot during Phase I, with the majority of the staging and laydown occurring at the parking lot as Phase II progresses toward completion. In addition, prior to commencement of the Project, the existing occupant (San Pedro Bait Company) would relocate its operations from the Project site.

The Harbor Department performed a historic evaluation of Municipal Pier No. 1, which includes the Project site. The evaluation identified City Dock No. 1 in its entirety, including Warehouse No. 1 (not part of the Project site), as historic district. The seven contributors to the potential district include:

- Municipal Pier No. 1 itself, inclusive of the entire 36-acre earth-filled pier plus the concrete pile-supported structure along its western edge;
- Municipal Warehouse No. 1 (not part of the Project site);
- Transit shed at Berths 58-60;
- Transit shed at Berth 57;

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

- Pan American Petroleum Company Marine Loading Station Pump House at Berth 70 Westway Terminal Building;
- Former Pan-Am Terminal Facility at Berth 56, which currently houses the California Department of Fish and Game Building (not part of the Project site); and
- Former Immigration Station at 309 E. 22nd Street, which most recently housed the Canetti's Restaurant (not part of the Project site).

The Project includes the redesign and rehabilitation of the existing historic transit sheds, as well as the construction of new buildings in their proximity. To ensure preservation of the historic district to the extent feasible, and the historic buildings and structures, the Project requires that designs meet the Secretary of the Interior's Standards for the Treatment of Historic Properties, including the provision of plan review by a qualified consulting architectural historian for compliance with the Secretary's Standards.

The Project also incorporates sustainable design features, consistent with Harbor Department policies and practices, such as water and electricity conservation features, Silver Leadership in Energy and Environmental Design (LEED) certification for all new buildings over 7,500 square feet, use of recycled materials, recycling of demolition debris, and providing pedestrian and bicycle access.

ENVIRONMENTAL ASSESSMENT:

CEQA Responsibilities - The Harbor Department is the CEQA Lead Agency for the Project. As such, the Board is responsible for reviewing and considering the Final EIR (Transmittal 1) and, at its discretion, certifying that the Final EIR has been completed in accordance with CEQA, the State CEQA Guidelines, and the Los Angeles City CEQA Guidelines; has been presented to the Board for review and the Board considered the information contained in the Final EIR prior to approving the Project, and reflects the independent judgment and analysis of the Harbor Department. Certification of the Final EIR must precede the Project approval. Project approval requires that the Board review and consider the Final EIR; adopt the Findings of Fact (FOF) (Transmittal 2) on the significant environmental effects of the Project and the feasibility of mitigation measures and Project Alternatives; adopt a Statement of Overriding Considerations (SOC) (included in Transmittal 2); and adopt a Mitigation Monitoring and Reporting Program (MMRP) (Transmittal 3).

Scope and Content of Environmental Document - The Draft EIR, dated May 2012, incorporates, as appropriate, information received on the Notice of Preparation for the Project, assesses environmental impacts of the Project, and examines Project Alternatives and possible mitigation measures. The Final EIR clarifies and amplifies the Draft EIR, incorporates insignificant modifications and corrections, contains responses

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

to all public comments made on the Draft EIR, and contains records of the public process.

Intended Uses of the Final EIR - The Final EIR informs public agency decision-makers and the general public of the significant environmental effects of the Project, recommends mitigation measures to minimize the significant effects, and describes reasonable alternatives to the Project. This document assesses the potential impacts, including unavoidable adverse impacts and cumulative impacts related to the Project. This Final EIR is also intended to support future discretionary actions of the Board and the permitting/approval process of all agencies whose discretionary approvals must be obtained for particular elements of this Project. For the Harbor Department, these actions include but are not limited to: City of Los Angeles Building and Safety permits; U.S. Army Corps of Engineers (USACE) permit; water quality permits, construction contracts, and City of Los Angeles Bureau of Sanitation Industrial Waste Discharge Permit.

Environmental Documentation Process and Public Involvement - The Project was subject to the required environmental documentation process that included public disclosure as required by regulation. In this case, however, public notification exceeded statutory requirements. The procedural steps of the process are described below:

1. Notice of Preparation (NOP) - In accordance with the Los Angeles City (City) CEQA Guidelines, Article VI, Section 1.5 and the State CEQA Guidelines, Section 15082 the responsible agencies, participating City agencies, and other concerned parties were consulted through a NOP released on December 3, 2010. A total of nine written and oral comments were received from various agencies and the public during the scoping period.

Copies of the NOP were available for review online at www.portoflosangeles.org, at the Harbor Department Environmental Management Division office, and at the Los Angeles Public Library, San Pedro Branch and Wilmington Branch. Over 70,000 postcards were distributed notifying the public of the date of the scoping meeting and comment period. Meeting notifications were also provided in Spanish. The Harbor Department also provided a Spanish/English interpreter at the public meeting.

2. Draft EIR - The Draft EIR was released for public review on May 24, 2012. It was made available on the Port of Los Angeles website, at local libraries, and copies of the Draft EIR notice of availability were mailed directly to over 900 interested parties. Meeting notifications were also translated in Spanish and provided in mailings. The 45-day comment period closed on July 9, 2012. A public hearing was held on June 12, 2012 in the Board Hearing Room, Harbor Department Administration Building, to present the findings of the environmental analysis and receive oral comments.

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

Public notices of completion stating that the Draft EIR was available for review were published in five newspapers: Los Angeles Times, Daily Breeze, Long Beach Press Telegram, Los Angeles Sentinel and La Opinion.

A total of seven comment letters on the Draft EIR were received. In addition, there were two comments provided at the June 12, 2012 public hearing.

3. Responses to Comments - As required by Public Resources Code Section 21092.5, all agencies who commented on environmental issues in the Draft EIR were provided with responses to comments at least 10 days prior to the Final EIR being submitted to the Board for certification.
4. Final EIR - In accordance with the Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines, Section 15088, comments received on the Draft EIR were evaluated. The comment letters and responses to comments, along with minor modifications to the Draft EIR are presented in the Final EIR. The Final EIR was completed in September 2012.

Findings and Conclusions - The Final EIR, FOF and SOC, transmitted herewith, identify major findings and conclusions, including a discussion of areas of environmental concern, alternatives, feasible mitigation measures, and unavoidable impacts. The discussion below summarizes the proposed Findings included in Transmittal 2 for the Board's consideration.

1. Areas of Environmental Concern - Through the public environmental process the following areas of environmental concern were identified. These potential impacts and others were assessed in the Final EIR. The impacts associated with the Project are discussed in detail, by resource area, in the Final EIR. Prior to mitigation, impacts to the following environmental resource areas would be significant: Air Quality and Greenhouse Gases, Biological Resources, Cultural Resources, Noise and Cumulative Impacts. After mitigation is applied, Project impacts to Air Quality and Greenhouse Gases, Cultural Resources, Noise and Cumulative Impacts (Air Quality and Greenhouse Gases, Cultural Resources and Noise) would remain significant and unavoidable if the Project is approved.
2. Alternatives - Two alternatives to the Project were considered:
 - a. Alternative 1 – No Project Alternative: Alternative 1 considers what would reasonably be expected to occur on the site if no future discretionary actions occurred. The Harbor Department would not issue any discretionary permits or discretionary approvals, and would take no further action to construct or permit the construction of any portion of the Project. Under this alternative, no

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

construction impacts associated with a discretionary permit would occur. Under Alternative 1, the Project would not be constructed. Berths 57-60 would continue to be used for warehousing space; these berths would not be converted to a marine research center, and wharf repair and transit shed repairs would not occur. SCMI would continue to operate the 19,000-square-foot office building in Fish Harbor and continue to face the inadequate space and conditions required for their research. Berth 56 would continue with existing uses, which include the paved area where the 11,500-square-foot Learning Center would no longer be proposed for construction.

As part of the approved SPWP (and not part of the Project), the Westway Terminal liquid bulk storage tanks would be removed and Berths 70-71 would subsequently be remediated. With the exception of the existing historic Westway/Pan-American Oil Company Marine Loading Station Pump House, which would remain, and the existing office building, Berths 70-71 would otherwise remain vacant indefinitely after remediation until new development plans could be established and evaluated.

The No Project Alternative would maintain the existing conditions at the Project site and none of the Project objectives would be met.

- b. Alternative 2 - Reduced Project Alternative: Under this alternative, only Berths 57-60 would be developed into marine research space, with Berth 57 to be occupied by SCMI; repairs, rehabilitation, and upgrades would be made to Berth 57 and Berths 58-60 transit sheds and wharves. SCMI would be relocated to Berth 57, and SCMI facilities at Berth 260 would be demolished.

Development of Berths 70-71, including the NOAA facilities, opportunity site, and wave-tank, would not occur. As part of the approved SPWP (and not part of the Project), the Westway Terminal liquid bulk storage tanks would be removed, and Berths 70-71 would subsequently be remediated. With the exception of the existing historic Westway/Pan-American Oil Company Pump House, which would remain, and the existing office building, Berths 70-71 would otherwise remain vacant indefinitely after remediation until new development plans could be established and evaluated. This alternative would also not include the auditorium at Berth 56 or the additional 15 parking spaces proposed at Berth 56. The waterfront promenade would be constructed within City Dock No. 1 as part of implementation of the SPWP.

3. Environmentally Superior Alternative - CEQA requires identification of the Environmentally Superior Alternative. The Environmentally Superior Alternative was determined based on a ranking system that assigned numerical scores comparing the impacts under each resource area for each alternative with the CEQA baseline.

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

The scoring system ranged from -2 if impacts are considered to be substantially reduced when compared to the CEQA baseline, to +2 if impacts are considered to be substantially increased when compared with the CEQA baseline. Table 5-4 of the Draft EIR presents the scoring system and rankings for each alternative under CEQA.

Alternative 2 - Reduced Project Alternative is the Environmentally Superior Alternative because it would create fewer adverse impacts, including fewer significant and unavoidable cultural resources impacts. Alternative 2 meets the majority of the Project's objectives and would reduce at least one potentially significant impact of the Project.

For the reasons discussed in the attached FOF, staff recommends that the Board reject Alternative 2 and that the Board approve the Project as described in the Final EIR. The Project is the feasible alternative that, when taking into account environmental and economic factors, best meets Project objectives to adaptively reuse existing Berths to allow for marine research and education; construct a natural seawater wave-tank; relocate, upgrade, and expand SCMI's operations; provide accommodation for vessels of all sizes; provide a location for marine-related businesses; and provide for public amenities related to marine studies.

4. Proposed Mitigation Measures - In accordance with the provisions of the Los Angeles City CEQA Guidelines, Article I, the State CEQA Guidelines Section 15091, and the information contained in the Final EIR for the Project, changes or alterations have been required in, or incorporated into, the Project which substantially lessen or avoid significant adverse environmental impacts identified in the Final EIR. Certain mitigation measures were modified/strengthened between the production of the Draft EIR and the Final EIR. All feasible mitigation measures are specified in the MMRP. Incorporation of additional mitigation measures would be infeasible as a result of specific economic, legal, social, technological or other considerations set forth in the FOF.
5. Unavoidable Significant Adverse Impacts - Significant adverse impacts of the Project that could not be reduced below a level of significance are described in the FOF with findings for each impact. The following significant impacts could not be mitigated to a level of insignificance:
 - a. Air Quality - The Project would result in significant air quality impacts for construction-related emissions, offsite ambient air pollutant concentrations during construction, and operational emissions. Even after implementation of all feasible air quality mitigation measures, impacts would remain significant and unavoidable.

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

- b. Greenhouse Gases - By increasing GHG emissions during construction and operation, the Project would produce GHG emissions that exceed the CEQA significance criteria. Even after implementation of all feasible GHG mitigation measures, impacts would remain significant and unavoidable.
- c. Cultural Resources - The Project would result in a substantial adverse change in the significance of an historical resource, involving demolition, relocation, conversion, rehabilitation, alteration, or other construction that reduces the integrity or significance of important resources on the site or in the vicinity. After implementation of all feasible cultural resources mitigation measures, impacts are reduced to less than significant, with the exception of the construction of the five-story wave-tank, which would have a significant and unavoidable impact on the historic setting of the nearby historic resources.
- d. Noise - Construction noise levels are estimated to be approximately 77 dBA Lmax during the loudest sub-phase of both Phase 1 and 2 (including pile driving). These noise levels would result in approximately 16 dBA increase above the existing noise environment at the closest liveaboard in the Cabrillo Way Marina. Even after implementation of all feasible noise mitigation measures, impacts would remain significant and unavoidable.
- e. Cumulative Impact - Cumulative impacts associated with past, present, and reasonably foreseeable future projects would result in cumulatively considerable and unavoidable impacts related to: criteria pollutants; offsite ambient air pollution concentrations; operational emissions; exposure of receptors to significant levels of toxic air contaminants; GHG emissions; a substantial adverse change in the significance of a historical resource as a result of the five-story wave-tank discussed above; and construction noise at noise-sensitive uses.

Overriding Considerations - Pursuant to Public Resources Code Section 21081(b), no public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects that would occur if the project is approved or carried out unless the agency makes the specific findings discussed above with respect to each significant impact and finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects of the project. The SOC must identify the substantial adverse environmental impacts that cannot be mitigated or avoided; make recommendations, if any, by the lead agency that the project or alternatives be approved as proposed; and the reasons why, if in the opinion of the decision-making body, the project warrants approval despite such consequences or recommendations.

The FOF and SOC are attached and transmitted for Board consideration and adoption. Staff, in recommending the Project for approval, has identified specific environmental,

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

economic, legal, social, technological and other Project benefits. The Project would result in substantial benefits that would accrue to the general public. These benefits are summarized here and explained in detail below.

- Research facilities to address the most pressing issues of the day, such as climate change, sea-level rise, the depletion of the world's fisheries, and development of pollution control technologies.
- Educational activities to ignite the imaginations of today's students to inspire them to become tomorrow's scientists, educators and entrepreneurs, which is important to the on-going development of environmental solutions and green technologies in California.
- Opportunities to facilitate the transition of marine scientific discoveries to commercial applications to improve the environment.
- 21st century green job categories in the Los Angeles region and associated economic development opportunities.
- Redevelopment of historic warehouses into productive use, preserving the Port of Los Angeles's history, while transforming the area into public serving facilities.

Marine Research Facilities - The Project would provide facilities for SCMI, Southern California universities and colleges, government research agencies (such as the NOAA), and businesses to conduct cutting-edge research and education, and develop technologies to address the most pressing problems of the day: climate change, sea-level rise, the depletion of the world's fisheries, availability of technologies to reduce air and water pollution, and exploration of new green energy production in the marine environment. The Marine Research Center would offer on-the-water research facilities with extensive wharf space and water depth to accommodate large research vessels, extensive storage space for the latest ocean-study robotics, and enough space to bring together leading researchers and entrepreneurs.

The development of the largest wave-tank in the world, and the only one using natural sea water, could attract researchers from all over the world to California to study the behavior of ocean waves. The co-location of researchers from various institutions, governmental agencies, and entrepreneurial marine-related businesses would create synergies in research and approaches to real world problems, increasing the benefits of the Marine Research Center. Further, shared infrastructure, such as a saltwater system, storage areas, and vessel berthing facilities, could benefit all users/tenants of the Marine Research Center

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

by avoiding costs of duplicative infrastructure and by minimizing on-going operational and maintenance costs, providing investment of more funds into research efforts.

Educational Facilities - The Marine Research Center would be utilized by several public and private higher educational institutions and community colleges for undergraduate and graduate studies, courses, and educational programs. The state-of-the-art facilities would enhance current higher education programs by substantially increasing access to the ocean and associated hands-on learning opportunities.

The interpretive center, which is an element of the larger transformative City Dock No. 1 Marine Research Center Project, would not only provide unique hands-on learning opportunities related to ocean studies, but would also provide a novel "public access" portal into cutting-edge marine research. Integrating educational activities with on-going marine research would be a strong tool to ignite the imaginations of today's students to not only make them more aware of how they can help protect our oceans, but also inspire them to become tomorrow's scientists, educators and entrepreneurs.

Economic Development - Construction of the proposed Marine Research Center is currently estimated to create 4,100 direct and indirect construction related jobs, with an economic impact estimated at \$192 million in income and \$86 million in local, state, and federal taxes.

For every \$1 million invested in research at the proposed Marine Research Center, an average of nine direct jobs is estimated to be created. Further, for every \$1 invested in education, an estimated \$5.43 is generated for the state economy. But perhaps the largest benefit would be the development of "green jobs" so important to the economic development of the region and the state.

21st Century Green Jobs - The City Dock No. 1 Marine Research Center would provide marine businesses and industries that use the Port and/or are located within the Port and its adjacent communities with a direct connection with researchers and entrepreneurs to communicate problems, successes, and needs. This connection, along with waterside facilities for testing and refining marine technology and the synergies of co-locating academic researchers with entrepreneurial problem-solving enterprises, would facilitate the transition of scientific discoveries to commercial applications that solve real world problems. Such commercial applications would create local technology development and manufacturing opportunities and the follow-on creation of new "green jobs."

Further, such technological advancements would feed back into the Marine

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

Research Center's educational programs, ensuring a trained workforce to implement the new technological solutions discovered to address current and future problems associated with the urban ocean.

Public Serving and Recreational Facilities - Current historic warehouses would be upgraded and transformed into productive marine research facilities that would benefit society in general. The preservation of the shells of the warehouses preserves the history of the Port through illustration of the past uses and jobs of the Port, while transitioning the buildings to accommodate the jobs of the future.

In addition, the marine research facility would also be integrated in the Port's larger waterfront development effort, including connection through the waterfront promenade and development of an interpretive center as discussed above, creating new recreational and public access opportunities. This expanded waterfront connection would serve to further enhance the Port's tourism and general commercial facilities, further augmenting the economic development of the Port's waterfront.

Fulfills Port Legal Mandates and Objectives - The Project would fulfill the Port's Tidelands Trust as amended by Assembly Bill (AB) 2769 to allow funds in the Port to be spent on education, recreation, culture, and tourism. This legislation allows the Harbor Department to further expend funds on non-maritime uses, such as the revitalization of a visitor-serving waterfront for Los Angeles County and the southern California area. The Project would provide a world-class urban marine research center and support the research needs of the southern California region's universities, research and education institutions, and government agencies, as well as provide an incubator for marine-related business. Further, the Coastal Act provides that the Harbor Department should give highest priority to the use of existing land space within harbors for Port purposes, including, but not limited to navigational facilities, shipping industries and necessary support and access facilities.

Promotes Green Growth - The Project would also meet the Mayor's goal and the Harbor Department's strategic objectives to "grow the Port green," which for this Project includes maximizing the efficiency and the capacity of facilities, including mitigation measures that adhere to and/or exceed Clean Air Action Plan requirements, maintaining financial self-sufficiency through the long-term lease while raising environmental standards and protecting public health. The strategic plan also calls for developing more and higher quality jobs. The Project provides significant high quality operational and construction employment while still providing for long-term air quality improvements as provided below. The Project elements and design measures are consistent with the Harbor

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

Department's Sustainability Program and policies, which would encourage the use of recycled water, drought-tolerant plants, require LEED certification for all new buildings, require the implementation of the Harbor Department sustainable engineering design guidelines, require the use of recycled and locally derived materials for construction, and implement energy efficiency, water quality, and conservation design features.

Many of these considerations individually would be sufficient to outweigh the adverse environmental impacts of the Project. Indeed, as stated in the EIR, one of important objectives of the Project is to develop synergies among universities, colleges, government agencies, and businesses to solve the region's environmental problems. The SOC attached for Board consideration, further documents the benefits of the Project, which staff believes outweigh the significant and unavoidable environmental effects of the Project.

Final EIR Certification and Project Approval - In light of these findings and conclusions, staff recommends certification of the Final EIR as being prepared in accordance with CEQA and implementing guidelines, and recommends approval of the Project and all feasible mitigation measures, lease measures and standard Project conditions.

Implementation of Mitigation - When making the CEQA findings required by Public Resources Code Section 21081(a), a public agency shall adopt a reporting or monitoring program in accordance with Public Resources Code Section 21081.6 for changes to the Project which it has adopted or made a condition of Project approval in order to mitigate or avoid significant effects on the environment. A MMRP is transmitted for Board consideration and adoption. In addition, should the Board approve the Project or one of the alternatives (Alternatives 1 or 2), the mitigation measures would be incorporated into all design specifications and construction contracts by the Applicant and incorporated into any and all lease agreements by the Harbor Department (Recommendation 10).

Record of Proceedings - When making CEQA findings required by Public Resources Code Section 21081(a), a 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 W. 6th Street, Suite 1080, San Pedro, California 90731.

Notice of Determination - In accordance with Los Angeles City CEQA Guidelines, Article I, and the State CEQA Guidelines Section 15094, a Notice of Determination (NOD) will be filed with the County and City Clerks if the Project is approved by the Board. Public Resources Code Section 21167(c) provides that any action or proceeding alleging that

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

an EIR does not comply with the provisions of CEQA shall be commenced within 30 days after filing the NOD.

ECONOMIC BENEFITS:

As discussed above, construction of the Project is currently estimated to create 4,100 direct and indirect construction related jobs, with an economic impact estimated at \$192 million in income and \$86 million in local, state, and federal taxes. For every \$1 million invested in research at the Marine Research Center, an average of nine direct jobs is estimated to be created. Further, for every \$1 invested in education, an estimated \$5.43 is generated for the state economy.

Significantly, this Project is also anticipated to be an economic catalyst for commercialization of discoveries made at the Marine Research Center, creating local technology development and manufacturing opportunities and the follow-on creation of new "green jobs."

In addition, the Project's public amenities such as waterfront promenade and development of an interpretive center would serve to further enhance the Port's tourism and general commercial facilities, further augmenting the economic development of the Port's waterfront.

FINANCIAL IMPACT:

The cost of development of Phase 1 of the Project is currently estimated at \$63 million, with Phase 2 development costs estimated at an additional \$353 million. The Harbor Department is not proposing to significantly fund the capital costs of the Project or on-going operational costs.

On May 3, 2012, the Board acted to support the development of an independent California Nonprofit Corporation by a third party or parties as yet to be identified, with the capabilities to implement the City Dock No. 1 Marine Research Center Project in collaboration with potential Project users and tenants, in order to enter into a lease with the Harbor Department to develop, operate and maintain the Project, if approved by the Board. The intent of establishing a Nonprofit is to facilitate fundraising for capital development and operations of the Project. The financial impact of any proposed entitlement with the proposed Nonprofit is currently unknown and would be evaluated in the future as part of its submittal to the Board for consideration.

SUBJECT: FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CITY DOCK NO. 1 MARINE RESEARCH CENTER PROJECT

CITY ATTORNEY:

Based upon the information presented to the City Attorney's Office, the Board may certify that the Environmental Impact Report has been completed in compliance with CEQA.

TRANSMITTALS:

- 1. Final Environmental Impact Report
- 2. Findings of Fact and Statement of Overriding Considerations
- 3. Mitigation Monitoring and Reporting Program

FIS Approval: KP (initials)

CA Approval: TM (initials)



CHRISTOPHER CANNON
Director of Environmental Management



FOR MICHAEL R. CHRISTENSEN
Deputy Executive Director

APPROVED:

for 
GERALDINE KNATZ, Ph.D.
Executive Director

AUTHOR: Kevin Grant
ADP No.: 100114-003
BOARD MEETING: 10/18/2012

FILEC:\Users\rivasm\Documents\ENV_CITY DOCK FEIR - FINAL.docx
UPDATED: 10/10/2012 3:27 PM - MRx