



**DATE: AUGUST 22, 2012**

**FROM: PLANNING & ECONOMIC DEVELOPMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - ISSUANCE OF A LEVEL I  
COASTAL DEVELOPMENT PERMIT (NO. 12-10) TO CANNERS  
STEAM TO REMOVE 4,625 FEET OF PIPELINE**

**SUMMARY:**

Canners Steam proposes to remove approximately 4,625 feet of abandoned subsurface steam pipeline to mitigate potential health and environmental hazards presented by the asbestos insulation wrapped around portions of the pipeline. Canners Steam is removing the pipelines to comply with the lease conditions of Permit 701, which requires them to restore the leasehold and remove all improvements. The pipelines are located beneath South Seaside Avenue, Cannery Street, Barracuda Street, Earl Street, and Terminal Way. Staff recommends the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 12-10, a Level I, non-appealable permit for the proposed project.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed project conforms with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
2. Authorize the Executive Director to approve the issuance of Coastal Development Permit No. 12-10; consistent with the project description listed on Application for Discretionary Project No. 120706-083; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

**Background** – Built in 1951, the Canners Steam Plant was a food-grade steam production plant consisting of a 21,000-square foot steel frame structure with a concrete floor. Steam generated at the plant was originally distributed via subsurface pipelines to the Chicken of the Sea and Del Monte canneries, and the ExxonMobil marine oil terminal. Canners Steam ended steam delivery to the canneries in 2001, but continued

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intermittent deliveries to ExxonMobil and the Terminal Island Treatment Plant until 2004, at which point Canners Steam ceased operation. Although Canners Steam ceased operation in 2004, Permit 701 is an active permit and Canners Steam continues to exist as an entity.

On December 16, 2010, the Board approved the issuance of CDP No. 10-08 for the removal of external equipment at the Canners Steam facility that contained asbestos, consisting of a water conditioning system, ten water tanks, and piping. Removal of the outside equipment for asbestos abatement was completed in March 2011.

Project Description – Canners Steam proposes to remove approximately 4,625 feet of pipelines to comply with the lease conditions of Permit 701, which requires them to restore the leasehold and remove all improvements. Portions of the subsurface distributive steam pipelines are wrapped with asbestos insulation in either a corrugated metal wrap or fiber wrap. Removal would require the excavation of approximately 13,700 cubic yards of soil to access the pipeline. Soil sampling will be completed during excavation and the trench will be backfilled with compacted clean soil. Any contaminated soil will be disposed of consistent with State and Federal regulatory requirements. The pipelines are located beneath South Seaside Avenue, Cannery Street, Barracuda Street, Earl Street, and Terminal Way (Transmittal 1). Proposed excavation activities are not anticipated to disrupt nearby tenant operations as all work would be completed within the aforementioned streets and Permit 701 premises.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 8, is a Level I non-appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan*. A Level I permit is one of three levels of permits that the Board can issue (Transmittal 2). Level I permits are issued for developments that involve minimal changes in land/water use, and minor changes in density and intensity of use.

The proposed project has been found to be consistent with the Port Master Plan, as demolishing the proposed equipment would remove the potential hazard to public health at the site. The proposed project has been found to be consistent with Chapter 3 policies of the California Coastal Act of 1976, as amended. Specifically, Section 30232 requires protection against hazardous substances. The presence of friable asbestos associated with the pipelines poses a potential health and environmental hazard.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level I CDP to Canners Steam for removal of 4,625 feet of abandoned subsurface steam pipeline beneath South Seaside Avenue, Cannery Street, Barracuda Street, Earl Street, and Terminal Way. As an activity involving the removal of an existing pipeline not exceeding one mile in length, the Director of Environmental Management has determined that the proposed action is

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exempt from the California Environmental Quality Act (CEQA) in accordance with Article 18 Section 15282(k) of the State CEQA Guidelines.

**ECONOMIC BENEFITS:**

Approval of the proposed CDP will have no employment impact for the five-county region. The proposed project associated with this CDP is anticipated to support 15 direct and 13 secondary one-year equivalent jobs in the region.

**FINANCIAL IMPACT:**

Issuance of the proposed Level I CDP will not have a financial impact upon the City of Los Angeles Harbor Department, as all demolition costs, estimated at \$1.9 million, will be entirely borne by Cannery Steam. Monthly compensation for Permit 701 is \$2,946 and would not change as a result of this Board action.

**CITY ATTORNEY:**

The City Attorney's Office has reviewed the Board Report and Coastal Development Permit and finds that they present no legal issues at this time.

**TRANSMITTALS:**


- 1. Site Location Map
- 2. CDP No. 12-10

FIS Approval: VF (initials)  
 CA Approval: TM (initials)

  
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 Director of Planning & Economic Development

  
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APPROVED:

  
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