



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE:** OCTOBER 2, 2024

**FROM:** CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - APPROVE LAND USE COVENANT AND AGREEMENT, ENVIRONMENTAL RESTRICTIONS SOUTHWEST MARINE TERMINAL ISLAND FACILITY, 985 SOUTH SEASIDE AVENUE (BERTH 240), DTSC SITE CODE 402456

**SUMMARY:**

Staff requests approval of the Land Use Covenant and Agreement, Environmental Restrictions (Covenant) with the Department of Toxic Substances Control (DTSC). The Covenant puts forth certain best practices for the current use and future uses of City of Los Angeles Harbor Department (Harbor Department) property, at the former Southwest Marine Terminal Island Facility (Site) located at 985 South Seaside Avenue, Berth 240.

**RECOMMENDATION:**

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

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2 (f) of the Los Angeles City CEQA Guidelines;
2. Approve the Land Use Covenant and Agreement, Environmental Restrictions;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the Land Use Covenant and Agreement, Environmental Restrictions; and
4. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – In November 2006, the DTSC issued the Remedial Action Order (RAO) No. HAS-RAO-08/09-056, requiring the responsible parties, including the Harbor Department, to assess and remediate environmental contamination at the site (Transmittal 1). The RAO included a summary of site history; current site conditions; a list of deliverables including site assessment, remediation, and monitoring requirements; and a submission schedule for these deliverables.

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In accordance with the RAO and associated amendments, the Harbor Department prepared and submitted a Remedial Action Workplan (RAW) in 2013 and a Revised Remedial Action Plan (RAP) in August 2016 to the DTSC and the United States Environmental Protection Agency (USEPA) for review and approval. The remedial documents detailed plans for soil and groundwater remediation approaches that would be implemented to meet the cleanup goals for future commercial and industrial site use. The final Remedial Action Completion Report (RACR) was submitted to the DTSC and USEPA in February 2018 and approved by these two agencies in April 2018 and May 2018, respectively.

The Environmental Management Division, with support from the Construction and Engineering Divisions, completed soil remedial efforts by the end of February 2018. The soil was remediated from depths between 2-feet and 10-feet below grade; the removal of contaminated soil from depths greater than 7 feet below grade surface served to remove source soil, which allowed natural restoration of groundwater quality. Due to access limitations along property boundaries and inside several historic buildings, residual contamination remains in isolated areas at the site. As a result, the DTSC and USEPA required the development and implementation of a Soil Management Plan (SMP) to be followed during future development, which may require disturbance of site soil. The final SMP was completed and approved by the DTSC and USEPA in September 2022 and August 2022, respectively.

The DTSC and USEPA require adoption of this Covenant (Transmittal 2) to restrict the use of parcels 1 through 3a to commercial and/or industrial purposes. A Covenant for Parcel 3b would be issued at a later time, if warranted, following remediation of that parcel and is currently covered under the approved SMP. Parcel 4 is not included in the Land Use Covenant (LUC) as it is permitted by the United States Army Corps of Engineers as a near-shore Confined Disposal Facility. Upon Board approval and full execution, staff will record the Covenant at the Los Angeles Registrar/Recorder's Office.

Currently, the site is vacant; however, real estate staff plans to publish a solicitation for a potential leasing opportunity in the coming months.

**REMEDICATION AND COVENANT OVERVIEW:**

For remediation purposes, the site was subdivided into four parcels: Parcels 1, 2, 3 (which was further subdivided into Parcels 3a and 3b), and 4 (Transmittal 3). In accordance with the DTSC Remedial Action Order HAS-RAO 08/09-056 and associated amendments, and USEPA's oversight for polychlorinated biphenyls (PCBs) under the Toxic Substances Control Act (Site ID#CAD980813836), soil remediation was completed in two phases at Parcels 1, 2, and 3a, in December 2014 and February 2018, and the property was deemed suitable for commercial industrial uses, with the use of a SMP, as approved by the DTSC and USEPA.

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Parcel 3b, currently occupied by So Cal Ship Services, was not remediated and is not included in this Covenant. Parcel 3b is paved with an asphalt surface that is inspected monthly as required by the DTSC, until such time that this parcel may be remediated. As part of the remedy, the LUC imposes usage restrictions in the form of institutional controls to (1) limit Parcel 1, 2, and 3a to commercial or industrial usage, and (2) record the requirement to implement remedial action at Parcel 3b in the future.

The remedy for groundwater at the site included monitoring and sampling following remediation. There are currently 16 monitoring wells at the site; however, the chemicals of concern in groundwater do not pose significant risks to human health or the adjacent harbor waters at the detected concentrations, and correspondence has been submitted to DTSC requesting authorization to remove the groundwater monitoring well network present on Parcels 1, 2, and 3a.

Pursuant to the completed remediation and SMP put in place for the site, a Covenant for Parcels 1, 2, and 3a was prepared by the DTSC and reviewed and approved by the USEPA, Harbor Department, and the City Attorney, restricting the future development of these Parcels to commercial and industrial land uses.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the Covenant and Environmental Restriction on Property, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Covenant will restrict the use of parcels 1 through 3a to commercial and/or industrial purposes. As an administrative activity, there is no cost associated with processing of this Covenant except for Harbor Department staff time.

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**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the Covenant as to form and legality.

**TRANSMITTAL:**

1. Site Location Map
2. Covenant and Environmental Restriction on Property
3. Parcel Map

**FIS Approval:** *JS* (initials)  
**CA Approval:** *RFM* (initials)

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