



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JULY 25, 2013

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ – ADOPTION OF THE PORT MASTER PLAN

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) adopt the comprehensive update to the Port Master Plan and authorize the Executive Director to submit the Port Master Plan to the California Coastal Commission (Coastal Commission) for certification, as required by the California Coastal Act (Coastal Act). The updated Port Master Plan combines the original 1980 Port Master Plan and its subsequent amendments into a more user-friendly long range master planning document that reflects recent land use and planning projects and accommodates forecasted cargo growth. The Port Master Plan has been revised since the February 21, 2013 distribution of the Draft Port Master Plan to address comments received from stakeholders and interested parties. Adoption of the updated Port Master Plan is subject to Board approval of the Port Master Plan Final Program Environmental Impact Report (PEIR) in conjunction with the Port Master Plan.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that with the certification of the Port Master Plan Final Program Environmental Impact Report, the Board of Harbor Commissioners has considered the environmental effects of the update of the Port Master Plan as described in the Port Master Plan Final PEIR. Therefore, the adoption of this resolution is exempt from the California Environmental Quality Act (CEQA) under Article II Section 2(i) of the City of Los Angeles CEQA Guidelines;
2. Adopt the Port Master Plan;
3. Authorize the Executive Director to submit the Port Master Plan to the California Coastal Commission for certification; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – The Port Master Plan establishes policies and procedures to direct the future development of the Port of Los Angeles (Port) and was originally approved by the Board in July 1979 and certified by the Coastal Commission in August 1980, consistent with the policies of the Coastal Act. As required by the Coastal Act, the ports of Los Angeles, Long Beach, Hueneme, and the San Diego Unified Port District are required to prepare and have their respective Boards adopt a port master plan. Master plans for the ports of Oakland and San Francisco are administered under the San Francisco Bay Conservation and Development Commission and not the Coastal Act.

Since the original certification, twenty amendments to the Port Master Plan have been approved while another six amendments were initiated but withdrawn. Generally, the purposes of the amendments were to allow for the development of specific projects, such as Piers 300 and 400 and the Main Channel Deepening Project, by authorizing new landfills and adding land use designations. This update represents the first comprehensive review for the Port Master Plan since its original certification (Transmittal 1). Coastal Commission certification of a port master plan is necessary to allow a port governing body the authority to issue coastal development permits for projects within the port's jurisdiction. Prior to the Coastal Commission's 1980 certification of the Port Master Plan, project permitting authority for the Port of Los Angeles resided with the Coastal Commission.

Significant changes to the updated Port Master Plan include the following:

- *Administrative:* The 1980 plan and its twenty project specific amendments are consolidated to provide a more user-friendly plan that reflects current land use planning studies and current market analysis and forecasts on cargo trends.
- *Land Use Planning:* The number of planning areas is simplified from the current nine to five and now includes the water areas of the Port. Land use planning is clarified by limiting allowed land uses for each piece of land in the Port to a single designation, with limited exceptions. This represents a change from the current plan which allows several land use designations within a particular planning area.
- *Landfills/Water Cuts:* The proposed plan seeks certification of three minor landfills and/or water cuts at Yang Ming Terminals, China Shipping Terminal, and Berth 300. If approved, these projects would not require future port master plan amendments, but they would still require project-specific environmental review and Board approval of a coastal development permit.

A Pier 500 landfill is identified in the updated plan but staff is not seeking its approval at this time due to its conceptual nature and lack of any detailed proposal. Should

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Pier 500 proceed in the future, a separate Port Master Plan amendment, environmental review, and coastal development permit would be required.

- *Implementation Guidelines:* Modifications to the Port's implementation procedures governing the issuance of coastal development permits are also proposed. The number of coastal development permit types has been reduced from three to two and the authority to issue Level I coastal development permits is proposed to be delegated to the Executive Director. Level I permits relate to projects that are not appealable to the Coastal Commission that would result in (1) minimal changes in land and/or water use and intensity and (2) no significant adverse environmental impacts. Level II permits, which require a public hearing, would still require Board review and action and the Board would have the ability to consider Level I permits if two members of the Board so request.
- *Risk Management Plan:* Proposed revisions to the methodology for performing risk analyses for hazardous liquid cargo facilities are also addressed and include establishing a more conservative threshold for defining a blast overpressure hazard footprint (1 pound per square inch (psi) of blast overpressure versus the current 5 psi) and utilizing Emergency Response Planning Guidelines (ERPGs) developed and widely accepted by industries and governmental agencies for establishing toxic vapor cloud hazard footprints. Utilizing ERPG Level 2 identifies the maximum concentration of a toxic vapor below which individuals could be exposed for up to one hour without experiencing any serious health effects.

Public Comment on Draft Port Master Plan – On February 21, 2013, pursuant to the Coastal Act, the Board authorized the distribution of a Draft Port Master Plan to interested persons, organizations, and government agencies, including the Coastal Commission. The Notice of Completion for the Draft Port Master Plan was published on February 22, 2013, and a public hearing was held during the Board's regularly scheduled meeting of April 4, 2013. In addition to the public hearing on the Draft Port Master Plan, a public hearing was held on March 13, 2013, to receive comments on the Draft PEIR for the Port Master Plan. The public comment period for both documents closed on April 8, 2013. A total of 28 comment letters, 3 public hearing comment cards, and 77 oral comments were received on the Port Master Plan and Draft PEIR. The full list of comments and responses to comments are included as an attachment (Transmittal 2).

Significant issues identified during the public comment period included the preservation of historic resources, the potential relocation of SA Recycling, and the land use designation change for ExxonMobil's inland crude oil storage facility on Terminal Island.

- *Preservation of historic resources:* The Los Angeles Conservancy and National Trust for Historic Preservation were the primary parties representing the most frequently stated issues received during the public process. Generally, they requested the Port develop policies that prioritize the protection and adaptive reuse of historic

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resources. Broadly, the comments received opposed the application of a single land use designation over properties with historic resources since it may limit adaptive reuse opportunities. Suggestions to add overall land use flexibility included a historic resource land use overlay or the designation of multiple land uses for areas that included historic resources. Specific concern was expressed to preserve sites that identified with the former Southwest Marine shipyard, the Canner's Steam Plant, the Pan Pacific Fisheries, Starkist canneries, and the Japanese Fishing Village.

Response: A new goal for the Port Master Plan was developed to address the preservation and adaptive reuse of historic resources. The goal identifies the Port's intent to periodically review whether additional port-related land uses in certain areas with identified historic resources would further the opportunity for the reuse of historic resources. Such action, however, shall not impede the Port's ability to meet its mandate identified in the Coastal Act to operate as a commercial port and accommodate cargo handling activities. Adaptive reuse opportunities were increased through additional land uses allowed in specific areas. The former Southwest Marine shipyard site, designated for Breakbulk Cargo in the Draft Port Master Plan, is now also designated for Maritime Support uses. The Warehouse No. 1 site, designated for Institutional uses in the Draft, is now also designated for Visitor-serving Commercial uses. Based on input received, land use boundaries for the former Southwest Marine site were also revised to align with the existing Seaside Avenue in order to avoid bisecting existing historic structures. The Port has also agreed to include the two remaining structures of the former Japanese Fishing Village on the Port's inventory of historic structures.

Additionally, the Board approved a *Built Environment Historic, Architectural, and Cultural Resource Policy* on May 2, 2013. The policy, supported by the LA Conservancy, provides procedures and processes by which the Port identifies and addresses historic resources. The policy commits the Port to conducting a comprehensive survey of cultural resources in the Port, establishes a protocol for evaluating such resources, and describes the mechanisms that will be used to ensure the preservation and adaptive re-use of these resources , where feasible.

- *SA Recycling*: SA Recycling, an operator of a scrap metal facility at Berths 210-211 on Terminal Island, submitted comments opposing their relocation to accommodate the potential expansion of the adjacent container terminal. SA Recycling requested that the Port Master Plan reflect options where they would remain at their existing site, as well as possibly add another wharf for loading bulk cargo. They requested that the Port evaluate the construction of an elevated connecting roadway to allow the adjacent container terminal to expand in a manner to allow SA Recycling to remain at its current location.

Response: The text relative to the potential relocation of SA Recycling was revised to include several options with regard to SA Recycling's existing facility. Under the revised text, in addition to addressing the potential relocation of SA Recycling, the

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existing dry bulk facility may be allowed to remain in its current location and potentially expand its operations, depending upon the operational scheme and acreage requirements for the proposed container terminal expansion adjacent to the SA Recycling site. The land use plan allows for Breakbulk, Container, and/or Dry Bulk uses for the site.

- *ExxonMobil*: Comments were received by ExxonMobil opposing (1) the proposed relocation of the existing ExxonMobil crude oil storage facility on Terminal Island to a site within the rail loop track on Terminal Island and (2) the land use change for the site which would restrict activities on their existing facility solely to Container use. ExxonMobil requested that Liquid Bulk be added as an allowed land use to their existing facility.

Response: The proposed Port Master Plan provides for an adequate relocation site on Terminal Island for ExxonMobil's crude oil storage facilities. The current ExxonMobil site is immediately adjacent to container terminal backland and the optimal land use for that site would be to accommodate additional container terminal operations. For these reasons, the proposed Port Master Plan has not been revised in response to these comments.

Process – Staff is recommending that the Board adopt the updated Port Master Plan and authorize the Executive Director to submit the updated plan to the Coastal Commission for certification, contingent upon Board certification of the supporting Final PEIR. The Coastal Commission can certify in whole or any portion of the plan and reject any portion of the plan, but may not modify the plan as submitted as a condition of certification. Should the Coastal Commission certify the Port Master Plan, further actions relative to the certification process, as required by Title 14, Section 13632(e) of the California Code of Regulations, include the Board adopting the Coastal Commission's certification of the Port Master Plan and the Coastal Commission accepting the Board's action as being consistent with its certification.

ENVIRONMENTAL ASSESSMENT:

The proposed action is adoption of the updated Port Master Plan. The potential environmental impacts of the updated Port Master Plan were assessed in a Final PEIR. In certifying the Final PEIR, the Board would need to make specific Findings of Fact regarding the significant environmental impacts and mitigation measures, adopt a Statement of Overriding Considerations (SOC), and adopt a Mitigation Monitoring and Reporting Program (MMRP) to track mitigation. Should the Final PEIR be certified, the Director of Environmental Management has determined that the proposed action would be exempt from CEQA in accordance with Article II Section 2(i) of the City of Los Angeles CEQA Guidelines as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of the CEQA.

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ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

Certification of the Final PEIR and approval of the update to the Port Master Plan does not require the Harbor Department to fund any improvements. The total cost to prepare the PEIR is estimated to be \$1.7 million. Costs related to the preparation of the Port Master Plan are limited to staff costs.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this Resolution and determined that it raises no legal issues at this time.

TRANSMITTALS:

1. Port Master Plan
2. Responses to Comments

FIS Approval: WP (initials)

CA Approval: JP (initials)


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