

CALIFORNIA COASTAL COMMISSION

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March 20, 1997

TO: COMMISSIONERS AND INTERESTED PERSONS

FROM: PETER M. DOUGLAS, Executive Director
Charles Damm, South Coast District Director
Larry Simon, Ports Coordinator

**SUBJECT: Staff Recommendation on Port of Los Angeles Port Master Plan
Amendment No. 17 (Pier 400 Stage 2 Landfill Construction, Channel
Deepening, Shallow Water Habitat Area Expansion, and Additions to the
Port Landfill Mitigation Credit Account). For Commission consideration
at meeting of April 8-11, 1997.**

SUMMARY OF STAFF RECOMMENDATION

Staff recommends that the Commission **certify** the Port of Los Angeles port master plan amendment No. 17, which provides for construction of the 197-acre Pier 400 Stage 2 landfill, a 21-acre expansion of the previously-approved transportation corridor landfill connecting Pier 400 and Terminal Island, a 143-acre expansion of the existing Cabrillo shallow water habitat area, a 13-acre expansion of the existing Pier 300 shallow water habitat area, dredging a 75-foot-deep navigation channel on the eastern side of Pier 400, dredging a 50-foot-deep navigation channel on the southern side of Pier 300, adding Dry Bulk as an additional allowable land use on Pier 400, and additions to the Port's landfill mitigation credit account from additional financial contributions by the Port towards the Bolsa Chica (Orange County) wetlands restoration project. The staff recommends that the Commission find that the proposed amendment conforms with and carries out the marine resource, water quality, recreation, hazards, and port development policies of Chapter 8 and Chapter 3 of the Coastal Act.

I. Port Master Plan Amendment Procedure. California Code of Regulations, Title 14 Section 13636 calls for port master plan amendments to be certified in the same manner as provided in Section 30714 of the Coastal Act for certification of port master plans. Section 13628 of the Regulations states that upon the determination of the Executive Director that the master plan amendment and accompanying materials required by

Section 13628(a) are sufficient, the master plan amendment shall be deemed submitted to the Commission for purposes of Section 30714 of the Coastal Act. The subject amendment was deemed submitted on March 17, 1997. Within 90 days of this submittal date, the Commission, after public hearing, shall certify or reject the amendment, in whole or in part. If the Commission fails to take action on the amendment submittal within the 90-day period, the proposed amendment is deemed certified. The 90-day period expires on June 15, 1997.

Section 30714 of the Coastal Act states that the Commission shall either certify the amendment in whole or in part, or reject the amendment in whole or in part. The Commission may not modify the amendment as a condition of certification. Section 30714 also states that the Commission shall certify the amendment if the Commission finds both that:

1. The certified portions of the amendment conform with and carry out the policies of Chapter 8 of the Coastal Act.
2. Where the amendment provides for development listed as appealable in Section 30715, such development is in conformity with all the policies of Chapter 3 of the Act.

The proposed amendment provides for construction in the Port of Los Angeles of the Pier 400 Stage 2 landfill, expansion of the transportation corridor landfill, expansion of shallow water habitat areas, navigation channel deepening, and additions to the port landfill mitigation credit arising from the Bolsa Chica wetlands acquisition and restoration project. The proposed amendment will be evaluated under the policies of Chapter 8 and Chapter 3 of the Coastal Act.

II. STAFF RECOMMENDATION:

The staff recommends the Commission adopt the following resolution:

Certification of Amendment.

The Commission hereby **certifies** the Port of Los Angeles Port Master Plan Amendment No. 17 and finds, for reasons discussed below, that the amended Port Master Plan conforms with and carries out the policies of Chapter 8 and Chapter 3 of the Coastal Act. The Commission further finds that the plan amendment will not have any significant adverse effects on the environment within the meaning of the California Environmental Quality Act.

III. FINDINGS AND DECLARATIONS.

The Commission finds and declares as follows:

A. Previous Commission Action. The Commission certified the Port of Los Angeles Port Master Plan through actions taken on March 19, 1980 and April 15, 1980. The Commission has reviewed sixteen amendments to the master plan since that date, most recently in November 1996.

B. Contents of Port Master Plan Amendments. California Code of Regulations Title 14, Section 13656 calls for port master plan amendments to be certified in the same manner as port master plans. Section 30711 of the Coastal Act provides, in part, that a port master plan shall include all the following:

1. The proposed uses of land and water, where known.
2. The proposed design and location of port land areas, water areas, berthing, and navigation ways and systems intended to serve commercial traffic within the area of jurisdiction of the port governing body.
3. An estimate of the effect of development on habitat areas and the marine environment, a review of existing water quality, habitat areas, and quantitative and qualitative biological inventories, and proposals to minimize and mitigate any substantial adverse impacts.
4. Proposed projects listed as appealable in Section 30715 in sufficient detail to determine their consistency with the policies of Chapter 3 (commencing with Section 30200) of this division.
5. Provisions for adequate public hearings and public participation in port planning and development decisions.

The Commission finds that the proposed port master plan amendment conforms with the provisions of Section 30711 of the Coastal Act. There are adequate details in the port master plan submittal and associated materials for the Commission to make a determination of the proposed amendment's consistency with Chapter 8 policies of the Coastal Act.

An Environmental Impact Report (EIR) for the Deep Draft Navigation Project (Pier 400 Landfill) was certified and approved by the Board of Harbor Commissioners on November 18, 1992. Proposed modifications to Stage 2 of the Pier 400 project were assessed in a second addendum to the EIR and approved by the Board on January 8, 1997. The Board then determined on February 26, 1997, that proposed Plan Amendment No. 17 is exempt from the requirements of CEQA in accordance with Article III, Section 2(i) of the Los Angeles City CEQA Guidelines.

C. Appealable Development. In determining the standard of review for the proposed master plan amendment, Section 30714 of the Coastal Act provides guidance and states in part that:

The Commission shall certify the plan, or portion of the plan, if the Commission finds both of the following:

- (a) The master plan, or certified portions thereof, conforms with and carries out the policies of this chapter.
- (b) Where a master plan, or certified portions thereof, provide for any of the developments listed as appealable in Section 30715, the development or developments are in conformity with all policies of Chapter 3 (commencing with Section 30200).

Section 30715(a) of the Coastal Act provides, in part, that:

- (a) . . . After a port master plan or any portion thereof has been certified . . . approvals of any of the following categories of development by the port governing body may be appealed to the commission:
 - (1) Developments for the storage, transmission, and processing of liquefied natural gas and crude oil in such quantities as would have a significant impact upon the oil and gas supply of the state or nation or both the state or nation. A development which has a significant impact shall be defined in the master plans.
 - (2) Waste water treatment facilities, except for those facilities which process waste water discharged incidental to normal port activities or be vessels.
 - (3) Roads or highways which are not principally for internal circulation within the port boundaries.
 - (4) Office and residential buildings not principally devoted to the administration of activities within the port; hotels, motels, and shopping facilities not principally devoted to the sale of commercial goods utilized for water-oriented purposes; commercial fishing facilities; and recreational small craft marina related facilities.
 - (5) Oil refineries.
 - (6) Petrochemical production plants. . . .

The Port's plan amendment submittal states that:

Under Section 30715(a)(1), developments involving the storage, processing and transmission of crude oil in such quantities as would have a significant impact upon the oil and gas supply of the state or nation are considered appealable. The proposed deep water channel serving the eastern side of Pier 400 may meet this criteria and therefore has been determined to be appealable. No other element of this amendment is appealable.

The Commission agrees with the Port that the deep water channel on the eastern side of Pier 400 is the only appealable development contained in the proposed plan amendment. The standard of review for this element of the amendment is the Chapter 3 policies of the Coastal Act; the standard of review for the balance of the amendment is Chapter 8 of the Act.

D. Plan Amendment Background. The subject port master plan amendment submitted by the Port of Los Angeles is the third master plan amendment associated with the Pier 400 Landfill and Deep Draft Navigation Improvement Project (Exhibits 1 and 2). Plan Amendment No. 12 was certified by the Commission in April 1993 and provided for construction of the 395-acre Pier 400 Stage 1 landfill, deep-water navigation channels, and associated marine resource mitigation measures. (Soonafter, the Port began construction of a 277-acre portion of the Stage 1 landfill and construction of that 277-acre landfill is nearing completion. The balance of the Stage 1 landfill (118 acres) will be constructed in tandem with the proposed Stage 2 landfill.)

Certification of Plan Amendment No. 12 followed the Commission's earlier concurrence with a Corps of Engineers consistency determination (CD-57-92) in October 1992 for Corps participation in the 582-acre Pier 400 Project (Stage 1 and Stage 2 landfills and navigation channels). In June 1994 the Executive Director determined that Plan Amendment No. 13, which provided for construction of a 1.4-acre landfill at Pier 300 and a 2.8-acre addition to the Cabrillo shallow water habitat area (located at the San Pedro Breakwater), was minor in nature; that determination was reported to the Commission at its July 1994 meeting. More recently, in February 1997, the Commission concurred with a consistency determination (CD-2-97) submitted by the Corps for modifications to its portion of the overall Pier 400 Project (the aforementioned CD-57-92), including ocean disposal of clean dredged sediments and expansion of the Cabrillo shallow water habitat area.

Commission certification of proposed Plan Amendment No. 17 would allow the Port to issue coastal development permits to complete the final elements of the Pier 400 Project, as outlined in and concurred with by the Commission in CD-57-92. That consistency determination incorporated the entire Pier 400 Project, but acknowledged that the Project could only be constructed in phases after Commission review and certification of individual port master plan amendments incorporating landfill increments and the

associated marine resource mitigation measures (in the form of coastal wetland restoration projects) for those landfill increments. With this provision (agreed to by the Corps, the Port, and the Commission), the Commission found that CD-57-92 (the Pier 400 Project) was consistent with the marine resource, recreation, air quality, and hazards policies of the Coastal Act.

Submittal by the Port in 1993 of a single port master plan amendment for the entire Pier 400 Project was not possible due to a shortfall of marine resource mitigation credits necessary to compensate for the loss of deepwater habitat from construction of all 582 acres of landfill. However, in April 1993 the Commission certified the Port's Plan Amendment No. 12 for 395 acres of Pier 400 landfill, in part because the Port had adequate mitigation credits from its Batiquitos Lagoon restoration project in San Diego County, and from replacement shallow water habitat mitigation areas to be constructed in the Port, to compensate for the loss of 395 acres of shallow and deep water marine habitat.

Today, the 1993 mitigation credit shortage no longer exists due to the Port's funding in February 1997 (along with the Port of Long Beach) of the Bolsa Chica wetlands acquisition and restoration project on the northern Orange County coastline, and the resulting vesting of 227 mitigation credits with the Port of Los Angeles. Correspondence between the U.S. Department of the Interior and the Ports of Los Angeles and Long Beach confirmed that with each port having deposited \$33.375 million with the State Lands Commission for acquisition and restoration of Bolsa Chica wetlands, 227 port mitigation credits became available to each of the Ports on February 28, 1997 (Exhibits 3 and 4). This development, in conjunction with Commission concurrence in October 1996 with a consistency determination (CD-115-96) from the U.S. Fish and Wildlife Service for a conceptual wetland restoration plan for the Bolsa Chica wetlands, and in conjunction with Commission certification in October 1996 of Plan Amendment No. 15 from the Port of Los Angeles for establishing a port landfill mitigation credit account based on Port funding of acquisition and restoration of Bolsa Chica wetlands, effectively removes the last remaining hurdle to Commission review of the balance of the Pier 400 Project.

E. Summary of Proposed Plan Amendment. The Port of Los Angeles proposes to amend its port master plan by obtaining Commission certification of:

Construction of the 197-acre Pier 400 Stage 2 landfill (to support General Cargo, Dry Bulk, and Railyard/Roadway/Utility land uses), a 143-acre expansion of the existing Cabrillo shallow water habitat area, and a 13-acre expansion of the existing Pier 300 shallow water habitat area.

Construction of a 21-acre expansion of the previously-approved transportation corridor landfill connecting Pier 400 and Terminal Island.

Dredging a 75-foot-deep water channel on the eastern side of Pier 400 and dredging a 50-foot-deep water channel on the southern side of Pier 300. (Plan amendment No. 12 provided for a 45-foot-deep water channel at Pier 300.)

Designating "Dry Bulk" as an allowable land use on the previously-certified Pier 400 Stage 1 landfill.

A 40-credit addition to the port's landfill mitigation credit account as a result of an additional \$6 million contribution by the Port towards the Bolsa Chica wetlands restoration project on the northern Orange County coastline, in particular, towards the future restoration of the "Future Full Tidal Area" designated in the Commission-approved conceptual wetland restoration plan. As a part of this plan amendment, the Port would also have the option of providing an additional \$6 million and receiving an additional 40 mitigation credits associated with restoration of the Future Full Tidal Area should the Port of Long Beach elect to not participate in this future component of the restoration project. These 40 credits are not needed as mitigation in order for the Port to complete the Pier 400 Stage 2 landfill; instead, they would be used as mitigation for future Port landfills yet to be proposed by the Port or certified by the Commission.

The proposed \$6 million additional contribution by the Port of Los Angeles (and a proposed equal contribution by the Port of Long Beach) to the Bolsa Chica restoration project included in this proposed plan amendment would go specifically towards future restoration of the 275-acre Future Full Tidal Area when oil and gas field operations in this area cease and any environmental contamination has been cleaned up. Federal and State resource agencies determined that reintroduction of tidal influence into the Future Full Tidal Area is expected to create habitat values and aquatic functions sufficient to offset an additional 40 acres of landfill in the outer harbor area of the Port of Los Angeles and 40 acres of landfill in the outer harbor area of the Port of Long Beach.

However, the \$12 million designated for restoration of the Future Full Tidal Area may not provide for optimal restoration of this area. Therefore, should the participating agencies determine at some future date that optimal restoration is desired and feasible, then both Ports would be given the opportunity to provide additional funding for optimal restoration in return for additional mitigation credits, the number of which would be determined after completion of a multi-agency habitat evaluation process. Only in the 275-acre Future Full Tidal Area of the Bolsa Chica wetlands complex does the potential exist for additional mitigation credit generation from additional restoration funding at some future date. Any proposal calling for additional mitigation credits (beyond the aforementioned 80 credits) to be generated from additional restoration work at the Future Full Tidal Area would need to be reviewed and approved by the Commission in a subsequent port master plan amendment prior to those credits vesting with one or both Ports.

Acquisition of the 880-acre Bolsa Chica wetland complex and the restoration of approximately 600 acres of those wetlands, made possible by \$66.75 million in funding provided by the Port of Los Angeles and the Port of Long Beach, will serve as compensation for the loss of marine habitat and resources arising from the construction of 454 acres of outer harbor landfills. When the Port of Los Angeles provides an additional \$6 million in funding for restoration in the 275-acre Future Full Tidal Area (as proposed in this plan amendment), an additional 40 credits would accrue to the Port and provide mitigation for the construction of an additional 40 acres of outer harbor landfill. Should the Port of Long Beach also provide an additional \$6 million and receive its additional 40 mitigation credits (the subject of a separate Port of Long Beach plan amendment scheduled for the Commission's May 1997 meeting), then approximately 875 acres of the Bolsa Chica Lowlands would be restored and/or enhanced to full tidal and/or managed tidal influence, and a total of 534 acres of outer harbor landfill mitigation credits would be generated for use by the Ports.

The Port of Los Angeles states in its plan amendment submittal that:

Under the original project scope, a total of 582 acres of landfill were to be created for Pier 400 and the transportation corridor. However, due to water circulation concerns raised by the regulatory agencies, the transportation corridor connecting Pier 400 to Terminal Island was widened and relocated further east to fill the water area between the corridor and the northern end of the Navy Mole. This resulted in approximately 33 acres of landfill being created for the transportation corridor. The loss of shallow water habitat associated with the larger transportation corridor has been mitigated by the creation of an additional 143 acres of shallow water habitat along the San Pedro breakwater and an additional 13 acres to the Pier 300 shallow water site. The total landfill associated with the project is now 613 acres and sufficient credits are available through the Bolsa Chica acquisition and restoration project and the creation of shallow water habitat within the Port to mitigate the loss of shallow and deep water due to the landfill.

The proposed plan amendment also states that:

... this amendment would allow for the creation of a -75-foot deep water channel to serve the easterly side of Pier 400 and a -50 channel along the southern face of Pier 300. The -75 foot channel represents the balance of the deepwater channels presented in the Corps of Engineers' Consistency Determination which was concurred with by the Commission. The -50 foot channel along the face of Pier 300 represents a change from the -45 foot channel approved in Port Master Plan amendment No. 12 that is required to accommodate deeper draft container ships which will be calling at the Port in the near future.

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The permitted uses on the 218 additional acres of Pier 400 landfill and reconfigured transportation corridor would include General Cargo and Other (railyard, roadways, and utilities) land uses. This amendment also adds Dry Bulk to those permitted land uses on the previously certified Pier 400 landfill. The addition of Dry Bulk as a permitted land use allows the Port to respond to potential market demands for this type of cargo handling facility on the landfill.

The proposed amendment also included an alternate Stage 2 landfill construction plan, one that would have been implemented if the Bolsa Chica wetland restoration plan mitigation credits had not become available. However, with those credits now vested with the Port, the alternate construction plan is no longer needed by the Port.

Upon completion of the Pier 400 Project, there will exist within the Port of Los Angeles 613 acres of new landfill (580 acres in deep water and 33 acres in shallow water) supporting the Pier 400 marine terminals and the Pier 400 transportation corridor, and 292 acres of shallow water habitat mitigation area (271 acres inside the San Pedro Breakwater and 21 acres adjacent to Pier 300). Wetland restoration at Batiquitos Lagoon provided mitigation for 383 acres of deepwater landfill in the Port, and wetland acquisition and restoration at Bolsa Chica will provide mitigation for up to 227 acres of deepwater landfill in the Port. At Project completion the Port will have a surplus of approximately 70 mitigation credits in its Bolsa Chica Mitigation Bank and approximately 45 mitigation credits in its Outer Harbor Mitigation Bank.

In summary, the landfill proposed in this amendment represents the balance of the Pier 400 landfill project initially reviewed by the Commission in 1992 (CD-57-92) and 1993 (Plan Amendment No. 12), but which was not completely certified by the Commission at that time due to the lack of sufficient mitigation for marine habitat losses. With adequate mitigation credits now available, the Port is requesting Commission certification of the balance of the landfill and of several project modifications.

F. Conformance with the Coastal Act. In order for the Commission to certify the proposed plan amendment, the Commission must determine that the amendment conforms to the following Chapter 3 and Chapter 8 policies of the Coastal Act:

Section 30233.

(a) The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division, where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following

(l) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.

(2) Maintaining existing, or restoring previously dredged, depths in existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.

(3) In wetland areas only, entrance channels for new or expanded boating facilities; and in a degraded wetland, identified by the Department of Fish and Game pursuant to subdivision (b) of Section 30411, for boating facilities if, in conjunction with such boating facilities, a substantial portion of the degraded wetland is restored and maintained as a biologically productive wetland. The size of the wetland area used for boating facilities, including berthing space, turning basins, necessary navigation channels, and any necessary support service facilities, shall not exceed 25 percent of the degraded wetland.

(4) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.

(5) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.

(6) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.

(7) Restoration purposes.

(8) Nature study, aquaculture, or similar resource dependent activities.

(b) Dredging and spoils disposal shall be planned and carried out to avoid significant disruption to marine and wildlife habitats and water circulation. Dredge spoils suitable for beach replenishment should be transported for such purposes to appropriate beaches or into suitable long shore current systems. . . .

Section 30235.

Revetments, breakwaters, groins, harbor channels, seawalls, cliff retaining walls, and other such construction that alters natural shoreline processes shall be permitted when required to serve coastal-dependent uses or to protect existing structures or public beaches in danger from erosion, and when designed to eliminate or mitigate adverse impacts on local shoreline sand supply. Existing marine structures causing water stagnation contributing to pollution problems and fish kills should be phased out or upgraded where feasible.

Section 30705.

(a) Water areas may be diked, filled, or dredged when consistent with a certified port master plan only for the following:

(1) Such construction, deepening, widening, lengthening, or maintenance of ship channel approaches, ship channels, turning basins, berthing areas, and facilities as are required for the safety and the accommodation of commerce and vessels to be served by port facilities.

(2) New or expanded facilities or waterfront land for port-related facilities.

(3) New or expanded commercial fishing facilities or recreational boating facilities.

(4) Incidental public services purposes, including, but not limited to, burying cables or pipes or inspection of piers and maintenance of existing intake and outfall lines.

(5) Mineral extraction, including sand for restoring beaches, except in biologically sensitive areas.

(6) Restoration purposes or creation of new habitat areas.

(7) Nature study, mariculture, or similar resource-dependent activities.

(8) Minor fill for improving shoreline appearance or public access to the water.

(b) The design and location of new or expanded facilities shall, to the extent practicable, take advantage of existing water depths, water circulation, siltation patterns, and means available to reduce controllable sedimentation so as to diminish the need for future dredging,

(c) Dredging shall be planned, scheduled, and carried out to minimize disruption to fish and bird breeding and migrations, marine habitats, and water circulation. Bottom sediments or sediment elutriate shall be analyzed for toxicants prior to dredging or mining, and where water quality standards are met, dredge spoils may be deposited in open coastal water sites designated to minimize potential adverse impacts on marine organisms, or in confined coastal waters designated as fill sites by the master plan where such spoil can be isolated and contained, or in fill basins on upland sites. Dredge material shall not be transported from coastal waters into estuarine or fresh water areas for disposal.

- (d) For water areas to be diked, filled, or dredged, the commission shall balance and consider socioeconomic and environmental factors.

Section 30706.

In addition to the other provisions of this chapter, the policies contained in this section shall govern filling seaward of the mean high tide line within the jurisdiction of ports:

- (a) The water area to be filled shall be the minimum necessary to achieve the purpose of the fill.
- (b) The nature, location, and extent of any fill, including the disposal of dredge spoils within an area designated for fill, shall minimize harmful effects to coastal resources, such as water quality, fish or wildlife resources, recreational resources, or sand transport systems, and shall minimize reductions of the volume, surface area, or circulation of water.
- (c) The fill is constructed in accordance with sound safety standards which will afford reasonable protection to persons and property against the hazards of unstable geologic or soil conditions or of flood or storm waters.
- (d) The fill is consistent with navigational safety.

Section 30708.

All port-related developments shall be located, designed, and constructed so as to:

- (a) Minimize substantial adverse environmental impacts.
- (b) Minimize potential traffic conflicts between vessels.
- (c) 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.
- (d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible.
- (e) Encourage rail service to port areas and multicompany use of facilities.

1. Marine Resources. In its review of the Pier 400 Deep Draft Navigation Improvement Project (which included most of the development activity proposed in this

port master plan amendment) and subsequent concurrence with CD-57-92 (Corps of Engineers) for that Project, the Commission adopted extensive findings documenting: (1) the need for the Project; (2) that the proposed landfills and channel deepening were allowable, high-priority uses under the Coastal Act; (3) that adverse project impacts on coastal resources were minimized to the extent feasible; and (4) that mitigation measures for unavoidable project impacts, particularly impacts on marine habitat and resources, were incorporated into the project. The Commission found that the Pier 400 Project was consistent with the marine resource, water quality, public recreation, air quality, and hazard policies of the Coastal Act. It was able to make this finding in part because CD-57-92 contained a commitment by the Corps and the Port of Los Angeles that landfill construction would not commence until sufficient marine resource mitigation credits (from coastal wetland restoration projects) were obtained by the Port for all of the proposed 582 acres of Pier 400 landfill, or increments thereof. (The adopted findings for CD-57-92 are incorporated by reference into this report.)

As discussed earlier in this report, CD-57-92 also contained a provision for phased review by the Commission of Port of Los Angeles port master plan amendments for landfill increments of the Pier 400 Project. The lack of sufficient mitigation to compensate for the loss of marine habitat and resources due to the proposed construction of all 582 acres of the Pier 400 landfill was the one obstacle that prevented the Commission from certifying a single plan amendment for the entire Pier 400 landfill complex. (As noted on pages 8 and 9 of this report, the Pier 400 Project now encompasses 613 acres of landfill, due to the expansion of the transportation corridor linking Pier 400 and Terminal Island.) As a result, in April 1993 the Commission certified the first Pier 400 port master plan amendment (No. 12) for 395 acres of landfill after the Port documented the availability of adequate marine resource mitigation credits for that acreage. These mitigation credits were generated from the Port's Batiquitos Lagoon restoration project in San Diego County (approved by the Commission under coastal development permit No. 6-90-219) and from the proposed construction of new shallow water habitat areas in the Port (included in Plan Amendment No. 12).

The Port now proposes that the Commission certify the final 218 acres of the 613-acre Pier 400 Project landfill, due to the Port's receipt in February 1997 of 227 landfill mitigation credits from its funding of the Bolsa Chica wetlands acquisition and restoration project. The port landfill mitigation credit account arising from wetland restoration at Bolsa Chica was the subject of the Port's Plan Amendment No. 15, which was certified by the Commission in October 1996. (The adopted findings for Plan Amendment No. 15 are incorporated by reference into this report.) In its adopted findings for that amendment, the Commission found in part that:

- (1) the types of marine habitat losses that would occur with up to 227 acres of future Port of Los Angeles landfill construction (otherwise consistent with the Chapter 8 policies of the Coastal Act) are well-documented, significant, and must be mitigated by the Port; (2) the proposed Bolsa Chica restoration project, as outlined in the

Interagency Agreement and consistency determination CD-115-95 (U.S. Fish and Wildlife Service), and for the reasons described above, would provide adequate mitigation for up to 227 acres of Port of Los Angeles landfills; (3) restoration funds provided by the Ports of Long Beach and Los Angeles would be used to restore and enhance public trust resources located on public trust lands which are and will remain within the permit jurisdiction of the Commission; and (4) the comprehensive and significant coastal resource benefits arising from the Bolsa Chica project outweigh and take precedent over the lesser, but nevertheless still significant, marine habitat losses that will go unmitigated for a multi-year period of time until the Bolsa Chica restoration project is completed and functioning. The amendment would encourage the ports to modernize and expand as necessary, and would minimize adverse landfill impacts on marine habitat by contributing to the implementation of the restoration project at Bolsa Chica, which would provide numerous beneficial uses consistent with the public trust. In conclusion, the Commission finds that the proposed schedule for release of port landfill mitigation credits from the Bolsa Chica restoration project, as described in the proposed plan amendment, conforms with and carries out the port development and coastal resource protection policies of Chapter 8 of the Coastal Act.

The adopted findings also stated that:

Port landfill construction could then proceed prior to the start of mitigation work at Bolsa Chica, a significant departure from past Commission actions requiring mitigation concurrent with landfill construction. The plan amendment states that the 227 acres of mitigation credits in the Port of Los Angeles account would constitute acceptable compensatory marine habitat mitigation for outer harbor port landfill projects that meet all the requirements for certification in the port master plan and that are otherwise approvable.

With the certification of Plan Amendment No. 15 by the Commission, with the \$33.375 million contribution from the Port of Los Angeles having been transmitted to the State Lands Commission, and with the 880 acres of the Bolsa Chica Lowlands now under public ownership, the Port has formally obtained 227 landfill mitigation credits as called for in plan amendment No. 15. The Port is now able to seek Commission certification (through the port master plan amendment process) of the balance of the Pier 400 landfill with the knowledge that adequate mitigation credits are available to compensate for the unavoidable marine resource impacts associated with the proposed 218 acres of new landfill.

The adopted findings in CD-57-92 and Plan Amendment No. 12 described the existing marine biological values within the Port of Los Angeles as follows:

The variety of marine biological resources located within the Port of Los Angeles are of local and regional significance. The consistency determination, Draft Feasibility

Study, and Draft EIS/EIR (including technical appendices) provide voluminous documentation of the diversity and value of marine biological resources found within the Port of Los Angeles. (The Commission incorporates that material into this report by reference.) The California Department of Fish and Game, U.S. Fish and Wildlife Service, and National Marine Fisheries Service have independently verified the high value of marine resources located in the Port. Hard substrate, soft bottom, intertidal, shallow and deep water column, salt marsh, and kelp beds are the dominant habitat types in the Port. . . . These habitats support an abundant and diverse marine biota comprised of invertebrates, fishes, and birds, and two endangered species, the California least tern and the California brown pelican.

The dredging and filling proposed in Plan Amendment No. 17 will result in significant impacts to marine resources located within the Port of Los Angeles. These impacts primarily include the elimination of shallow-water foraging habitat used by the California least tern, and the elimination of soft bottom habitat and shallow- and deep-water column habitat.

Section 30233 (cited due to the appealable status of the proposed ship channel on the eastern side of Pier 400) and Section 30705 of the Coastal Act identify allowable uses for the dredging and filling of coastal waters. In addition, Section 30235 (cited due to the appealable status of the proposed ship channel on the eastern side of Pier 400) states that harbor channels shall be permitted when required to serve coastal-dependent uses. The proposed amendment allows for dredging of coastal waters to deepen ship channels, and filling of coastal waters for the expansion of waterfront land in order to support marine terminals and other port-related developments and activity. These uses are consistent with Section 30233(a)(1), 30235, and 30705(a)(1) and (2), and, therefore, the Commission finds that the proposed dredging and landfill construction are allowable uses.

Section 30706 of the Coastal Act requires the Commission to determine that the proposed landfill is the minimum necessary to achieve port development objectives. In concurring with CD-57-92, the Commission evaluated this requirement for the Pier 400 Project and found the Project to be consistent with this test. The Commission (as it did with the 395 acres of landfill in Plan Amendment No. 12 in 1993) incorporates those findings by reference, and finds that the proposed dredging and filling of coastal waters in the proposed plan amendment is the minimum necessary.

Sections 30705, 30706, and 30708 of the Coastal Act provide that dredging and landfill construction shall minimize substantial adverse environmental impacts, and minimize harmful effects to coastal resources, including fish and wildlife populations. Section 30233 (cited due to the appealable status of the proposed ship channel on the eastern side of Pier 400) permits dredging and filling where feasible mitigation measures have been provided to minimize adverse environmental effects. As detailed earlier in this report, the question of mitigation for the unavoidable impacts on and loss of marine habitat and

resources due to the proposed dredging and landfill construction has been resolved by: (1) the Port's existing balance of credits in its outer harbor mitigation bank; and (2) the Port's acquisition of 227 landfill mitigation credits from its participation in the Bolsa Chica wetlands acquisition and restoration project. With these mitigation credits now available for use by the Port, and based on the Commission's adopted findings in CD-115-96 (U.S. Fish and Wildlife Service: Bolsa Chica Lowlands Acquisition and Conceptual Wetland Restoration Plan) and Port Master Plan Amendment No. 15 (Port of Los Angeles: Port Landfill Mitigation Credit Account), the Commission finds that the proposed project contains adequate measures to mitigate for the unavoidable adverse project impacts on marine habitat and resources, and conforms with and carries out the marine resource protection policies of Chapter 8 and Chapter 3 of the Coastal Act.

2. Water Quality. The dredging and filling proposed by the plan amendment hold the potential to affect water quality within the Port. The Commission's adopted findings for CD-57-92 and Plan Amendment No. 12 describe the potential water quality impacts associated with the Pier 400 Project and the associated mitigation measures incorporated into the Project, and are incorporated into this report by reference. In the proposed plan amendment, the Port of Los Angeles states that:

The proposed Pier 400 fill as a whole and the deepwater channel development have been minimized and therefore minimize the reduction of the volume, surface area and circulation of water within the port. Extensive physical modeling of the proposed channels and fills indicates there will be no significant reduction in water quality. As required by the Corps of Engineers and the regulatory agencies [including the Los Angeles Regional Water Quality Control Board], a 1,000-foot break in the transportation corridor fill has been provided to assure adequate water circulation will be maintained in the bay.

All dredging activities shall be carried out to minimize disruption to fish and bird breeding and migration and will meet the requirements of the Regional Water Quality Board permit. Bottom sediments have been analyzed for toxicants and have been found to be suitable for placement in the Pier 400 fill. Ongoing monitoring of sediments will be conducted during dredging activity similar to that which is required for the current dredging activity for the initial phase of Pier 400.

The water quality impacts associated with the proposed plan amendment are essentially the same as those identified in CD-57-92. Based on the information contained in the Pier 400 Project EIS/EIR, the Commission found in its review of CD-57-92 that the Project was consistent with the water quality policies of the Coastal Act. It subsequently found in its 1993 review of Plan Amendment No. 12 that:

Since the Commission has concurred with the Corps' consistency determination concluding that the proposed landfill is consistent with the water quality policies of the Coastal Act and there is no new information that would alter the Commission's

conclusion, the Commission finds that the port master plan amendment is consistent with the water quality policies of the Coastal Act.

The Commission finds that the landfill and channel deepening contained in the proposed plan amendment are not significantly changed from the configuration concurred with by the Commission during its 1992 review of CD-57-92. In addition, since the Commission's 1993 certification of Plan Amendment No. 12 no new information on water quality in the project area has arisen that would alter the previous findings made by the Commission that construction of the Pier 400 landfills (including the 218 acres contained in the proposed plan amendment) and the deepwater shipping channels are consistent with the water quality policies of the Coastal Act. Therefore, the Commission finds that the development in proposed Plan Amendment No. 17 would conform with the water quality policies of the Coastal Act.

3. Recreation. The recreational impacts generated by the construction of the Pier 400 Project, and the associated mitigation measures to minimize the severity of those impacts, were documented in the Commission's adopted findings for CD-57-92 and Plan Amendment No. 12. The loss of open water area for recreational boating activities due to landfill is the primary Project impact. The Commission concluded that this impact was unmitigable but nevertheless concurred with CD-57-92 and certified Plan Amendment No. 12, finding that:

... Chapter 8 of the Coastal Act clearly acknowledges the importance of the four deepwater ports located within the coastal zone, and envisions their need for expansion, notwithstanding the presence of other non-port-related activities, including recreational boating activities. ... [D]ue to the priority land and water uses granted to the ports in Chapter 8 of the Coastal Act, the Commission finds that the proposed development is consistent with the recreational policies of the ... [Coastal Act].

Since the Commission concurred with CD-57-92 and certified Plan Amendment No. 12, concluding in both actions that proposed Pier 400 landfills are consistent with the recreational policies of the Coastal Act, and because there is no new information that would cause the Commission to alter or modify its previous conclusions, the Commission finds that the development in proposed Plan Amendment No. 17 would conform with the recreation policies of the Coastal Act.

4. Hazards. The dredging and filling proposed by the plan amendment hold the potential to generate hazardous conditions within the Port. The Commission's adopted findings for CD-57-92 and Plan Amendment No. 12 describe the potential hazard issues associated with the Pier 400 Project and the associated mitigation measures incorporated into the Project, and are incorporated into this report by reference. The issues raised in those reports centered on hazards associated with seismic events, the relocation of existing liquid bulk facilities to new landfills, and vessel traffic safety. There is no new

information that would alter the Commission's previous conclusions regarding seismic events and relocation of liquid bulk facilities. The Commission finds that the proposed Stage 2 landfill at Pier 400, and other development proposed in the subject plan amendment, will not contribute to the creation of hazardous conditions within the Port, and are consistent with the hazard policies of the Coastal Act.

Concerns were raised recently by the U.S. Coast Guard regarding the expansion of the Cabrillo shallow water habitat (located inside the San Pedro Breakwater) and the potential effect on vessel traffic safety in the Port. The Port stated in its March 6, 1997, plan amendment submittal that:

The configuration of the shallow water habitat expansion area has been modified in response to concerns raised by the U.S. Coast Guard. In a letter dated January 27, 1997, (copy attached) the Port committed to support and implement several vessel traffic safety measures as well as reduce the expansion of the shallow water habitat area. The LA/LB Harbor Safety Committee is also reviewing the vessel traffic safety measures and to date, no concerns have been raised by the committee about the Port's commitment to the Coast Guard.

The Port's January 27 letter and the Coast Guard's February 5 response letter are attached as Exhibits 5 and 6.

In addition, the plan amendment states that:

Navigational safety was also extensively studied in determining the selected channel configurations. A ship simulation study performed by MarineSafety International at the Computer Aided Operations Research Facility (CAORF) at the National Maritime Research Center identified optimal channel navigability and safety. The method of analysis involved computer simulation models to evaluate alternative channel designs and real-time ship handling simulation employing Port Pilots to evaluate the proposed channel designs. The conclusions found that the proposed channel configurations to the east side of Pier 400 provided safe navigation to the berths.

...

The ship simulation study evaluated major navigational criteria to ensure adequate safety and ease of operation. These criteria were established in accordance with current industry standards and reviewed with Port Pilots and other experienced Port staff. Limiting the deeper draft channels to the Outer Harbor will minimize the movement of larger vessels within the more congested Inner Harbor portion of the Port and will improve vessel traffic safety.

The proposed expansion of the Cabrillo shallow water habitat area was reduced in size from 151 acres to 143 acres by the Port in response to concerns about the potential effect the expansion would have on vessel traffic safety at the Angels Gate entrance to the Port. (This reduction has no effect on the amount of landfill that could be constructed in the Port as there will be a surplus of port landfill mitigation credits resulting from the recent vesting of the 227 Bolsa Chica mitigation credits and the construction of the 143-acre expansion of the Cabrillo shallow water habitat mitigation area.) Additionally, in its January 27 letter to the Coast Guard the Port agreed to implement and support the following vessel traffic safety measures:

Aggressive marking of the shallow water habitat perimeter with illuminated buoys.

One-way traffic for large vessels, as appropriate.

Expanded use of assist tugs in specific areas as delineated in the Harbor Safety Plan and any directives originating from the Captain of the Port.

Joining with the U.S. Coast Guard and the Port of Long Beach, as appropriate, in developing feasibility of "real time" and wind data sensors to assist mariners in making transit.

Enforce restrictions and rules, where applicable, reducing speed of vessels transiting the area.

In regards to your proposed safety measure for 24-hour radar assisted vessel traffic management for all commercial vessels operating in the area, this measure requires a thorough study and examination as to the impact on local pilot operations, commerce, and the budget of the Port of Los Angeles.

The Commission concludes that with the Port reducing the size of its proposed expansion of the Cabrillo shallow water habitat area and with the Port's support of the aforementioned vessel traffic safety measures, potential adverse effects on vessel traffic safety will be significantly reduced. Additional safety measures may be recommended by the Coast Guard and/or the Harbor Safety Committee as a result of their ongoing analysis of vessel traffic safety in this area of the Port of Los Angeles. However, based on the aforementioned project modifications, the Commission finds that the proposed Pier 400 Stage 2 landfill, the proposed expansion of the Cabrillo shallow water habitat area, and other development proposed in Plan Amendment No. 17 will not contribute to the creation of hazardous vessel traffic conditions within the Port, and is consistent with the hazard policies of the Coastal Act.

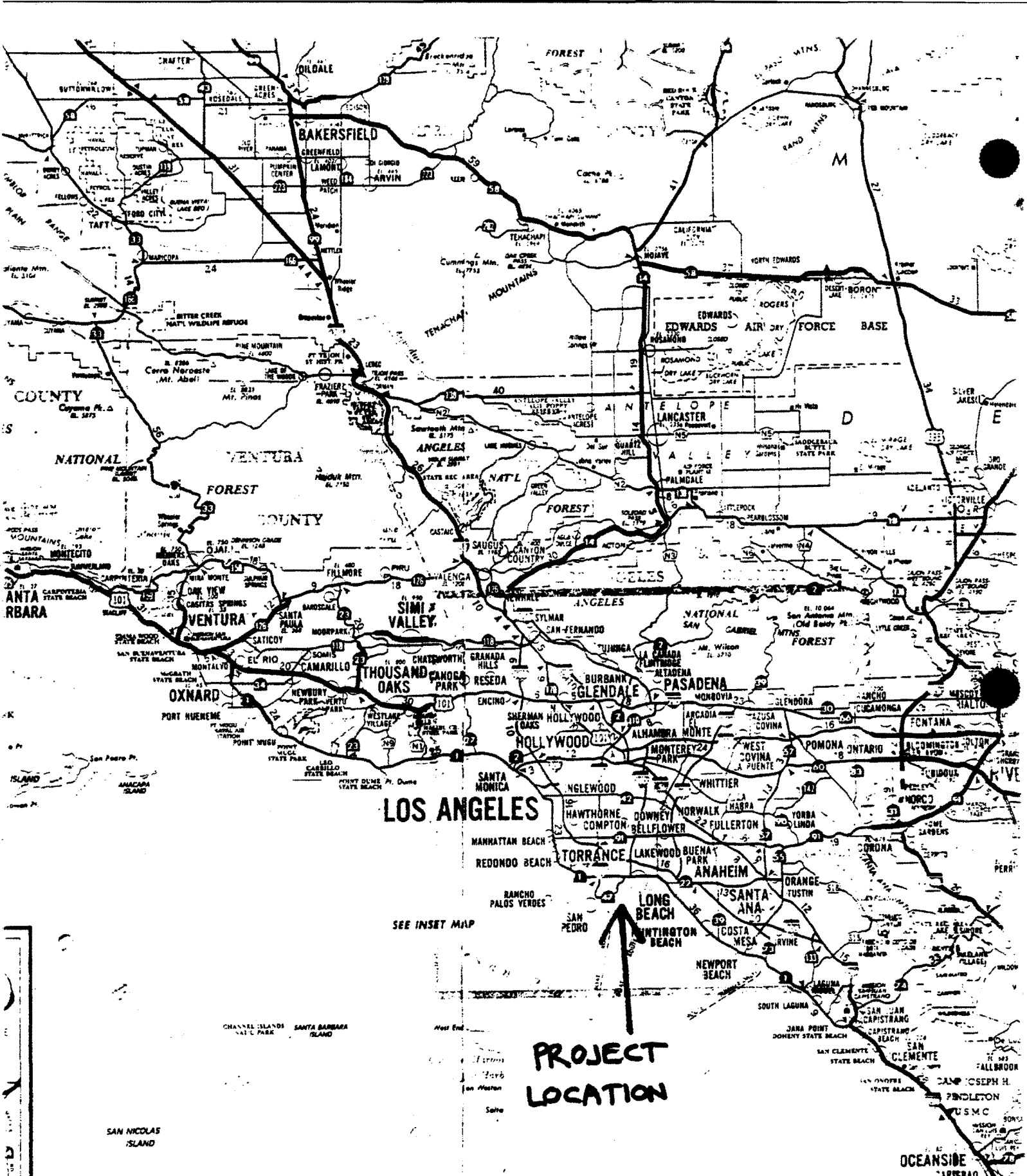
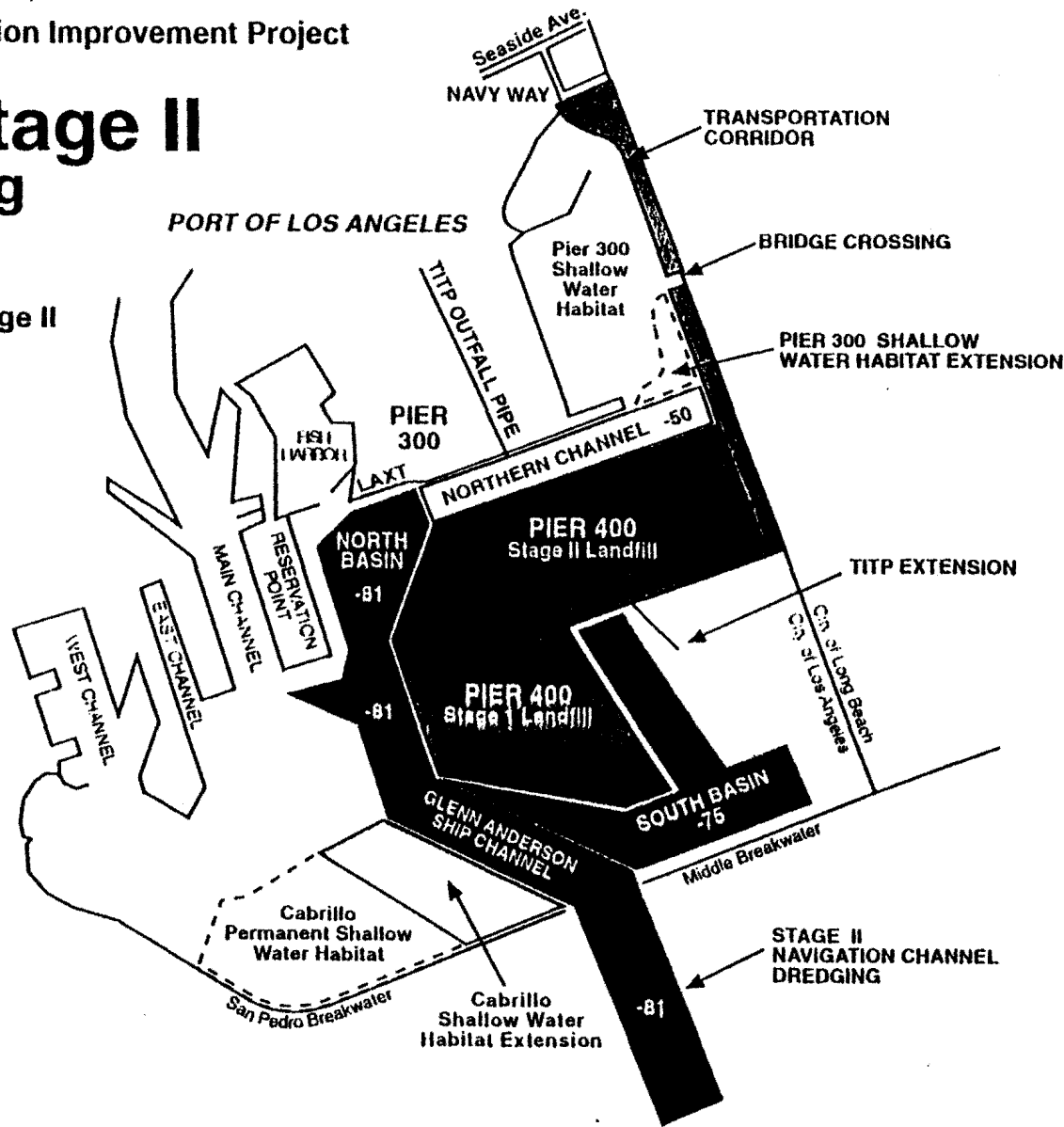


EXHIBIT NO. 1
APPLICATION NO.
POLA PMPA 17
California Coastal Commission

Federal Deep Draft Navigation Improvement Project
Los Angeles Harbor

Pier 400, Stage II Dikes, Dredging and Landfill

- Channel Dredging, Stage II
- Fill, Stage I
- Fill, Stage II
- Stage I
Shallow Water Habitat
- Stage II
Shallow Water Habitat



California Coastal Commission

EXHIBIT NO. 2

APPLICATION NO.

POLA PMPA 17



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, D.C. 20240

Address Replies in Care of:
Regional Solicitor's Office
U.S. Department of the Interior
2800 Cottage Way, Room W-2215
Sacramento, CA 95825

February 28, 1997



Mr. Ralph Appy
Port of Los Angeles
P.O. Box 151
San Pedro, CA 90733-0151

Dr. Geraldine Knatz
Port of Long Beach
P.O. Box 570
Long Beach, CA 90801-0570

Re: Bolsa Chica Lowlands Project

Dear Geraldine and Ralph:

This will acknowledge that each Port deposited \$12,500,000.00 with the State Lands Commission (Commission) for the acquisition of the KREG (i.e., Signal Bolsa Corporation) property in accordance with my separate, but identical, February 12, 1997, letters to each of you. This will also acknowledge that each Port has deposited the balance of its \$33,375,000.00 payment, less credits in accordance with Article 8(a) of the Interagency Agreement, with the Commission as of today. Finally, of course, title to a minimum of approximately 880 acres in the Lowlands vested in the Commission on February 14, 1997, when it acquired the KREG property.

The conditions precedent of my February 12 letter and of the first sentence of Article 15(a) of the Interagency Agreement having therefore been satisfied, this will confirm that, pursuant to the said Article 15(a), 454 acres of mitigation credits are available to the Ports, effective as of today, for immediate use in accordance with the Interagency Agreement. The remaining 80 acres of mitigation credits called for by the Second Amendment to the Interagency Agreement will become available to the Ports when the provisions of the Second Amendment are satisfied.

If you have any questions, please call me at (916) 979-2159.

Sincerely,

J. William McDonald

EXHIBIT NO. 3
APPLICATION NO.
POLA PMRA 17
California Coastal Commission

RECEIVED
MAR 11 1997

March 6, 1997

CALIFORNIA
COASTAL COMMISSION



WORLDPORT LA

Richard J. Riordan, Mayor, City of Los Angeles
Board of Harbor Commissioners
Leland Wong, President
Carol Rowen, Vice President
Frank Sanchez, Ph.D.
Jonathan Y. Thomas
John M. Wilson
Ezunial Burts
Executive Director

Mr. Peter Douglas, Executive Director
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Dear Mr. Douglas:

SUBJECT: BOLSA CHICA MITIGATION ACCOUNT

On October 8, 1996, your agency approved Master Plan Amendment No. 15 which establishes a Port of Los Angeles mitigation account. In accordance with the Bolsa Chica Interagency Agreement, which was approved with Master Plan Amendment No. 15, this account would be credited with 227 mitigation credits¹ once the agreement has been funded and title to the Bolsa Chica lowlands have been transferred to the State.

I am writing to inform you that title to the Bolsa Chica lowlands has been transferred to the State and we have met our funding requirement of \$33,375,000 which automatically credits our mitigation account with 227 credits. For your files, we have attached a letter from Mr. J. William McDonald, U.S. Department of the Interior, Office of the Secretary confirming that the aforementioned requirements of the Bolsa Chica Interagency Agreement have been met.

If you have any comments or questions regarding this please contact me at (310) 732-3440 or Dr. Ralph Appy at (310) 732-3497.

Sincerely,

For: LARRY A. KELLER
Executive Director

LAK:RGA

Attachment

cc: Mr. J. William McDonald (US Department of Interior)
Dr. Geraldine Knatz (Port of Long Beach)

¹One credit is mitigation for one acre of approved Outer Harbor fill or two acres of approved Inner Harbor fill measured at +4.8 MLLW.

EXHIBIT NO. 4
APPLICATION NO.
POLA PMPA 17

**WORLDPORT LA***Richard J. Riordan, Mayor, City of Los Angeles**Board of Harbor Commissioners**Leland Wong, President**Carol Rowen, Vice President**Frank Sanchez, Ph.D.**Jonathan Y. Thomas**John M. Wilson**Ezraiel Burns**Executive Director*

January 27, 1997

Ed Page, Captain of the Port
United States Coast Guard
LA/LB Marine Safety Office
165 N. Pico Avenue
Long Beach, CA 90802


Dear Captain Page:

I would like to thank you and your staff, particularly Commander Mike Moore, for alerting this Department to the maritime concerns with navigational safety posed by the planned expansion of the shallow water habitat adjacent to the Federal breakwater and main shipping channel.

I understand the U.S. Army Corp of Engineers has studied, evaluated and restudied the Pier 300/400 Plan and Shallow Water Habitat Project with appropriate academic simulations addressing piloting and navigating issues. However, these points are moot if there is a perception or reality that the shallow water habitat expansion has made navigation unsafe to real users.

All of the recommendations which you proposed as safety measures to mitigate the negative impact of the expanded shallow water habitat have been considered and discussed. You have my commitment that the Port of Los Angeles will immediately implement and support the following safety measures:

- There shall be aggressive marking of the shallow water habitat perimeter with illuminated buoys.
- There will be one-way traffic for large vessels, as appropriate.
- Harbor Department will support and accept expanded use of assist tugs in specific areas as delineated in the Harbor Safety Plan and any directives originating from the Captain of the Port.
- Harbor Department will join the USCG and Port of Long Beach, as appropriate, in developing feasibility of "real time" and wind data sensors to assist mariners in making transit.

EXHIBIT NO. 5
APPLICATION NO.
POLA PMPA 17
 California Coastal Commission

Captain Ed Page
United States Coast Guard

-2-

January 27, 1997

- Enforce restrictions and rules, where applicable, reducing speed of vessels transiting the area.

In regards to your proposed safety measure for 24-hour radar assisted vessel traffic management for all commercial vessels operating in the area, this measure requires a thorough study and examination as to the impact on local pilot operations, commerce and the budget of the Port of Los Angeles.

Finally, in addition to the safety measure, the Harbor Department will reduce the expansion of the shallow water habitat in accordance with the attached drawing. The revised plan, which scales back the original Shallow Water Habitat Expansion Project, has taken full consideration of all comments received.

In closing, I am convinced that with the revised plan for expansion of the shallow water habitat and adopting of the safety measures, navigational safety will be further enhanced. It is imperative that the users of the Port of Los Angeles' waterways continue a cooperative spirit and partnership to promote a positive climate for commerce on balance with basic principles for safe navigation and to maintain a safe and secure environment.

Sincerely,

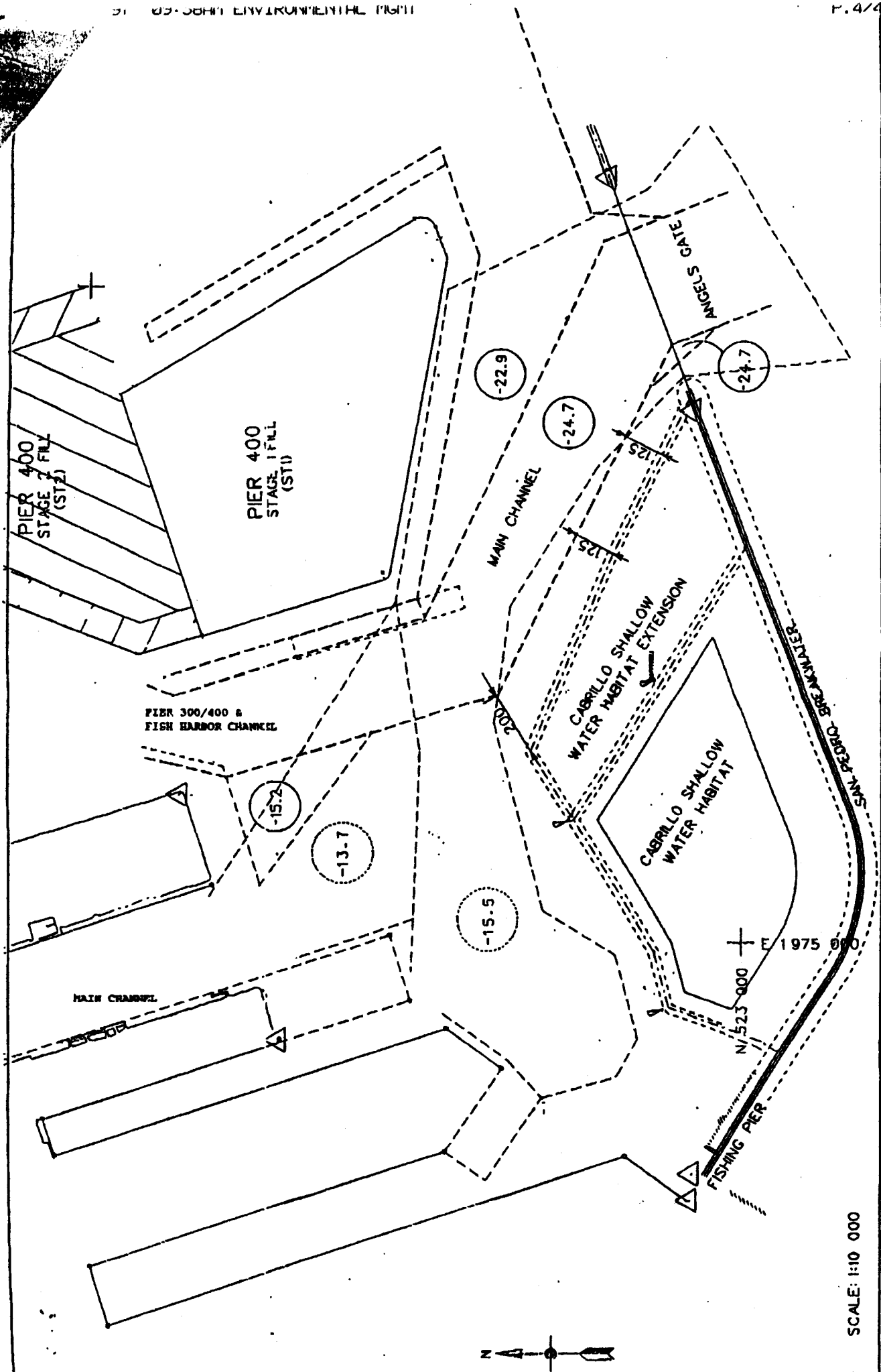


LARRY A. KELLER
Executive Director

LAK:NKC:jad
Enclosure

bcc: Vern Hall
Adam Birkenbach
Dick Wittkop
John Foxworthy
Ralph Appy
Ward Pearce

EX. 5



SCALE: 1:10 000

EX.5

U.S. Department
of TransportationUnited States
Coast GuardCommanding Officer
U.S. Coast Guard
Marine Safety Office/Group
Los Angeles-Long Beach165 N. Pico Avenue
Long Beach, CA 90802
Staff Symbol:
Phone:

(310) 980-4429

5102
5 FEB 1997

Mr. Larry Keller
Chief Operating Officer
Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90733-0151

Dear Mr. Keller,

I appreciate your response to my concerns over the expanded Shallow Water Habitat Project outlined in your 27 January 1997 letter to me. I'm pleased to see the Port of Los Angeles' commitment to support measures that will improve safety. I'm confident these actions will make a difference!

With respect to your commitments to improve maritime safety I add the following for clarification.

- In supporting the use of assist tugs in specific areas I will be seeking your support of the Harbor Safety Committee in chartering a study to determine the appropriate mix of tugs to ensure the safe transit of various deep draft vessels in this confined area.

- With respect to ensuring one-way traffic and enforcing restrictions and rules on vessels operating in the more confined waters I find expanding the capability of the existing vessel traffic management system is a key factor in fulfilling this commitment.

I'm impressed with the efforts the Port of Los Angeles has recently taken to install a state of the art radar system that is compatible with those installed at the Vessel Traffic Information Service and Jacobsen Pilot Service. That, along with the commitment by your staff to improve the present intra-port vessel management system will have a positive impact on maritime safety over the years as vessel's become larger, traffic density greater and navigable waters further restricted. Your efforts will also help us achieve our goal of a comprehensive and seamless traffic management system in this port and its approaches.

I trust you agree with me that the best forum for addressing these and other complex maritime issues in this active port complex is the Harbor Safety Committee. I have accordingly briefed the Committee on the Shallow Water Habitat expansion and advised them I will be seeking their input on the development of port operating procedures and a vessel management system.

EXHIBIT NO. 6

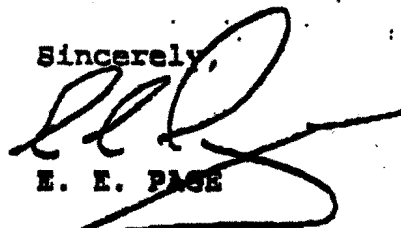
APPLICATION NO.

POLA PMRA 17

5102
5 FEB 1997

In closing, I'm confident your commitment and the Harbor Safety Committee's involvement in developing appropriate safety measures will ensure we continue to be a world class "Five Star" port complex where safe, reliable and environmentally sound maritime operations are ensured.

Sincerely,



E. E. PAGE

Copy: Mrs. Suzanne Rogalin, California Coastal Commission
Mr. Charles Raysbrook, California OSPR

EX. 6