CALIFORNIA COASTAL COMMISSION

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July 24, 2002

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TO:

COMMISSIONERS AND INTERESTED PERSONS

FROM:

PETER M. DOUGLAS, Executive Director

Charles Damm, Deputy Director Al J. Padilla, Ports Coordinator

SUBJECT:

Report by Executive Director to the Commission on Determination of Minor

Port Master Plan Amendment, Port of Long Beach Port Master Plan Amendment No. 17 (allow 9.2 acres of excavation and elimination of 1.5 acres of proposed fill previously approved under amendment No. 14, for the realignment of the southern bank of the Cerritos Channel adjacent to Pier S).

I. Introduction

The purpose of this report is to inform the Commission of action taken by the Executive Director on the Port of Long Beach's Minor Port Master Plan Amendment No. 17. The amendment would modify the realignment of Pier S, previously approved with the certification of amendment no. 14, through the excavation of 9.2 acres of land behind an existing dike and the elimination of 1.5 acres of proposed fill and widening the Cerritos Channel between Pier S and Pier A to a finished dimension of 808 feet.

Section 30716(b) of the Coastal Act and California Code of Regulations, Title 14, Section 13637 provide for a process whereby the Executive Director can determine that a port plan amendment is minor in nature, and require that any such determination be reported to the Commission at its next regularly scheduled meeting. This determination does not require a vote by the Commission, and becomes effective ten working days following the Executive Director's determination, which, in this case, was made on July 24, 2002. The subject minor plan amendment therefore becomes effective on August 7, 2002.

It is important to note that in July 1999, the Commission approved PMP Amendment No. 14 that allowed the realignment of Pier S with 1.2 million cubic yards of dredging and 1.5 acres of fill along the south bank of the Cerritos Channel. The proposed amendment would modify the dike realignment to widen the Channel through excavation of dry land and elimination of 1.5 acres of proposed fill. The amount of dredging approved in PMP Amendment No. 14 will not be exceeded.

II. <u>Minor Port Master Plan Amendment Procedure</u>

Section 30716(b) of the Coastal Act states that:

The commission shall, by regulation, establish a procedure whereby proposed amendments to a certified port master plan may be reviewed and designated by the executive director of the commission as being minor in nature and need not comply with Section 30714 [which provides for Commission review and action on proposed port master plans and amendments]. Such amendments shall take effect on the 10th working day after the executive director designates such amendments as minor.

California Code of Regulations, Title 14, Section 13637 states that:

- (a) The governing body of a port may request the executive director of the commission to designate an amendment to the port master plan as being minor in nature pursuant to Public Resources Code, Section 30716(b). Any such amendment shall be submitted to the executive director and shall be accompanied by the same information supporting such amendment as would be required for any other amendment. Notice of such amendment shall be given to all persons who the executive director has reason to know may be interested. No sooner than 15 working days from the date that such notice was transmitted. the executive director shall make a determination as to whether to designate such amendment as minor in nature. Any such determination shall be in writing with findings supporting the determination and the conformance of the amendment with the provisions of this division. The determination shall be transmitted to those receiving notice. No amendment shall be designated minor in nature if it involves significant filling, dredging or diking or a type of use not specifically provided for in the certified master plan or if in the opinion of the executive director the proposed amendment would not be consistent with the provisions of this division, would materially alter any significant condition or situation that formed a basis for certification of the port master plan, would result in any substantial adverse environmental effect, or would have a reasonable risk of producing such a result. An amendment designated as being minor in nature shall not become effective for 10 working days following the designation by the executive director.
- (b) Any determination pursuant to subsection (a) shall be reported to the commission at its next regularly scheduled meeting by the executive director.

III. Previous Commission Action

The Commission certified the Port of Long Beach Port Master Plan on October 17, 1978. The Commission has reviewed sixteen amendments to the master plan since that date, most recently in March 2001.

IV. Contents of Port Master Plan Amendment

As noted above, California Code of Regulations Title 14, Section 13637 requires that a minor port master plan amendment be accompanied by the same information that is

required of regular amendments, as called for under Section 30711 of the Coastal Act and the California Code of Regulations, Title 14, Section 13628(a). The Executive Director finds that the proposed plan amendment meets the requirements of Section 30711 and section 13628(a). The proposed changes in land and water uses are outlined, and there are adequate details in the port master plan submittal, Final Environmental Impact Report, and associated materials for the Executive Director to make a determination of the proposed amendment's conformance with the Chapter 8 policies of the Coastal Act.

V. <u>Public Noticing Process</u>

The proposed amendment has undergone environmental review under the provision of the California Environmental Quality Act under the Port of Long Beach's environmental review process. The amendment was subject to public review and hearing, and was certified by the Board of Harbor Commissions on May 6, 2002. The proposed amendment was submitted by the Port and received by the Commission's South Coast District office on May 16, 2002. Notice of the proposed amendment was transmitted by the Executive Director to interested individuals and agencies on June 25, 2002. The determination as to whether the amendment is minor in nature could be made by the Executive Director no sooner than July 17, 2002, 15 working days after notice was made. No comments were received by that date and the Executive Director has determined on July 24, 2002, that the proposed amendment is minor in nature. The findings supporting that determination are provided in Section VI. below.

VI. Finding for Executive Director's Determination

A. Summary of Proposed Amendment

The Port of Long Beach proposes to amend its port master plan by obtaining Commission certification for revisions to Table V-1, Port of Long Beach *Possible "Minor" Landfill Mitigation*, to (1) delete row item number five listing the Pier S Marine Terminal fill amount of 1.5 acres, and (2) insert a column that accounts for the addition of approximately 9.2 acres of open water and benthic habitat. Figure 1-2, "Location of Anticipated Projects" will be modified to indicate the location of the proposed project. The proposed amendment will also replace the existing text under Anticipated Projects in Section *VI*, <u>District 4 – Terminal Island Planning District</u>, as follows:

Existing Text

Pier S Marine Terminal Development and Landfill

The Port proposes to construct a new landfill, with a net-loss of approximately 1.5 acres of "inner-harbor" marine habitat, along the southern bank of the Cerritos Channel at Pier S to develop necessary berth and wharf improvements

POLB PMPA No. 17 Page 4 of 11

for the construction of a 150 acre marine cargo terminal. Approximately 0.75 acres of mitigation credits, from the Port's participation in wetlands restoration at the Bolsa Chica Lowlands, will be used to offset any impacts associated with this "inner-harbor" landfill project.

7

Proposed Text

Pier S Marine Terminal Development

The Port proposes to construct a new container terminal that involves widening the Cerritos Channel along the north shore of Pier S in order to accommodate safely the next generation of container vessels. Pier S improvements will include a three-berth wharf and 150 acres of backland adjacent to the wharf. Widening Cerritos Channel will create approximately 9.2 acres of open water and benthic habitat. This additional habitat would be available to mitigate future Port fills.

The project site is located in the Terminal Island Harbor Planning District on Piers S, in the northwestern portion of the port of Long Beach (see Exhibit No. 1 and 2). Historically, the Pier S site has been used for oil production purposes. Oil production has been declining, and secondary and tertiary recovery efforts, including water and steam injection, are used throughout most of the oil field. Due to the declining oil recovery efforts, the oil production uses have been consolidated to the perimeter of the new marine terminal uses, allowing the waterfront areas to be developed, while still accessing the remaining oil resources.

The surface of Pier S has subsided approximately 15-20 feet due to oil extraction activities and is below sea level. In November 1998, the Commission approved the Pier S site as one of three alternative fill sites for disposing of or reusing contaminated dredged material (CDP #5-96-231A1). The site is currently undergoing grading activity (filling) to bring it above sea level and to prepare it for a future marine cargo terminal facility under a coastal development permit approved by the Port, consistent with PMP Amendment No.14.

Under PMA Amendment no. 14, straightening the existing dike would have required the placement of approximately 3 acres of landfill in the northwestern portion of the site. Approximately 1.5 acres of upland area, adjacent to the dike, would be cut back to construct the new dike. The realignment of the dike on the southern side of the Cerritos Channel would result in the net loss of approximately 1.5 acres of marine habitat in the Port's inner harbor area. The realignment and construction of Pier S would require approximately 1.2 million cubic yards of fill material and approximately 1.2 million cubic yards of dredging. The final width of the Cerritos Channel would be approximately 700 feet.

The proposed amendment will eliminate the need for 1.5 acres of landfill previously certified in PMP Amendment no. 14, create approximately 9.2 acres of open water and benthic habitat, and widen the Cerritos Channel to approximately 808 feet. The amount of dredge material removed to widen the channel will not exceed the maximum quantity of

POLB PMPA No. 17 Page 5 of 11

1.2 million cubic yards previously approved with the certification of PMP Amendment No.14. Based on current Port estimates, total dredging will be approximately 600,000 million cubic yards.

The new dike alignment will be created through the excavation of dry land area located behind the existing dike and existing shoreline, and through dredging, as previously approved by Amendment No. 14. The excavated area, which will be excavated to a depth adequate to accommodate the drafts of ships, and supported by the new dike, will be allowed to fill with water, which will create approximately 9.2 acres of new water area. Since the excavation is on dry land and behind the existing dike, it is not considered dredging and will not add to the amount of required dredging. As stated, current estimates project dredging amounts to be less than the 1.2 million cubic yards previously approved since a large portion of the berth will be created through the proposed excavation.

The excavated material(cut) and dredged material will be either used on site as dry land fill (not as fill of coastal waters) or at other Commission approved locations.

The port states the reason for the proposed amendment is that the Cerritos Channel is currently too narrow to permit the largest planned container vessels to navigate the channel and berth at the future Pier S wharf along the south side of the channel simultaneously with vessels at the existing Pier A wharf along the north side of the channel. The realignment of the existing uneven dike will create a wider channel to allow for the safe berthing and maneuvering of the next generation of larger container vessels.

B. <u>Conformance with the Coastal Act.</u>

Port master plan amendments must conform to the policies of Article 2 of Chapter 8 of the Coastal Act (Sections 30702-08). The relevant policies for the proposed amendment are addressed below.

1. Allowable Development

Section 30705 of the Coastal Act states:

- (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.

POLB PMPA No. 17 Page 6 of 11

- (3) New or expanded commercial fishing facilities or recreational boating facilities.
- (4) Incidental public service 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.

Goal 5 of the Port Master Plan recommends that land be developed for primary port facilities and port-related uses through intensification of uses, redevelopment of existing land, minor landfills, and enhancing port services located outside of the Harbor District. The Port of Long Beach has been acquiring and developing existing land areas in the Harbor District to minimize the need for extensive marine terminal landfill projects. The Port is also attempting to increase the operation efficiencies within the existing terminals.

The proposed amendment, which will allow the widening of the Cerritos Channel from approximately 700 feet to 808 feet is needed to accommodate future larger container vessels and will provide an area sufficient for berths and wharf improvements to serve the 150 acre marine cargo terminal previously approved under PMP Amendment no. 14. These improvements will serve to minimize the need to dredge and fill to create new ports elsewhere in the State of California.

The proposed amendment will provide waterside access to a planned 150 acre marine cargo terminal on Pier S and expansion of a rail yard to support the marine terminal. The proposed widening of the channel and realignment of the dike, is for port-related facilities and is allowable under Section 30705(a)(2).

2. Project Need.

Section 30701 of the Coastal Act states:

The Legislature finds and declares that:

(a) The ports of the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry.

POLB PMPA No. 17 Page 7 of 11

(b) The location of the commercial port districts within the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state and local regulations. Coastal planning requires no change in the number or location of the established commercial port districts. Existing ports, including the Humboldt Bay Harbor, Recreation, and Conservation District, shall be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

Section 30708 of the Coastal Act states in part:

All port-related developments shall be located, designed and constructed so as to...(b) Minimize potential traffic conflicts between vessels...

The certification of PMP Amendment No. 14 allowed filling of approximately a net of 1.5 acres of water surface along the southern side of the Cerritos Channel to realign an existing uneven dike; 1.2 million cubic yards of dredging; wharf construction; and terminal facilities development for operation of a marine cargo terminal. The final width of the Cerritos Channel under amendment no.14 would be a maximum of 700 feet.

The Port has indicated that forecasts of the amount of containerized cargo expected to move through the port estimate an average increase of between 3.8 percent and 5.6 percent per year through the year 2020 (Wharton Econometric Forecasting Associates, 1993). Port statistics show that the actual growth in containerized cargo volume has exceeded the forecasts: actual growth between 1990 and 1995 was 7.4 percent per year. By the year 2020, cargo throughput at the San Pedro Bay ports is estimated to exceed 197 million metric tons (Port Master Plan, p. IV-9), nearly double the current tonnage.

The port states that:

For the Port to accommodate this increasing flow of international cargo, additional cargo handling facilities are necessary. Additional cargo handling capacity is typically created through expansion of existing facilities, or construction of new facilities on available land or new landfill sites. Where possible, the Port has acquired private land areas within the Harbor District and surrounding area to accommodate the construction of new facilities on existing land area. As available land areas within the Long Beach Harbor District are developed for marine cargo terminal purposes, minor landfill projects such as the proposed project, will postpone the need for future major landfill expansion projects within the Port or other areas of the State.

Based on the Port's analysis, growth in containerized cargo volume has exceeded Port forecasts and in order to accommodate this growth additional cargo handling facilities are necessary. Furthermore, container ship size has been increasing to reduce unit cost and

POLB PMPA No. 17 Page 8 of 11

freight charges for shippers. Today's container vessels carry over 6,600 Twenty-foot Equivalent Units (TEUs) and are about 1,000 feet in length and 140 feet in width. These vessels typically position 16-17 containers across the widest part of the ship. The maritime industry expects future container vessels to be between 10,000 and 15,000 TEUs before the year 2010. It is estimated that these ships will be designed to accommodate 22 containers across their width.

To accommodate these future wider ships and provide safe navigation through the Cerritos Channel, the minimum channel width between pier head lines will need to be 808 feet to maintain a recommended minimum of 200 feet of total clearance to allow adequate clearance for cranes on the wharves.

The need for the dike improvements and the appropriateness of the intended uses have been addressed in PMP Amendment no. 14 and were adequately substantiated in accordance with Coastal Act Sections 30705(a)(1) and (2). The construction of the marine terminal and dike has been designed for adequate geologic and navigational safety and will not result in any significant traffic conflicts between vessels. The realignment of the existing uneven dike will create a wider channel to allow for the safe berthing and maneuvering of the next generation of larger container vessels to conform with Sections 30708(b).

The proposed dredging and excavation will be the minimum necessary in order to achieve the purpose of the project, and will provide additional area for a high priority port use. The use of dredged sediments as landfill for the project or other port projects, rather than ocean disposal, conforms with Section 30708(d), which states in part that port-related development shall provide for other beneficial uses consistent with public trust. The Commission and other state and federal regulatory agencies that review port development and expansion in southern California consistently urge the Port of Long Beach (and other ports and agencies that dredge in coastal waters) to pursue alternatives to ocean dumping.

3. <u>Biological Impacts</u>

Section 30705 of the Coastal Act states in part:

- (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

POLB PMPA No. 17 Page 9 of 11

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.

Section 30708 of the Coastal Act states in part:

All port-related developments shall be located, designed, and constructed so as to...(a) Minimize substantial adverse environmental impacts.

As noted above, Chapter 8 policies require that all port-related development minimize substantial adverse environmental impacts [Sections 30705(b)(c), 30706(b), 30708(a)]. The Port of Long Beach's final EIR for the proposed amendment addresses the potential for adverse effects on marine resources.

The EIR states that Pier S site consists of disturbed land that is mostly unvegetated with extremely limited wildlife use due to low productivity of the site and its chronic disturbance. The intertidal habitat along Cerritos Channel and in the West Basin consists of riprap and pilings. The riprap shoreline supports limpets (Notoacmaea fenestrata) and barnacles (Balanus glandula) in the upper part of the intertidal zone, and a mussel bed (Mytilus edulis) in the mid-intertidal. The low intertidal zone supports scattered green anemone (Anthopleura xanthogrammica), patches of brown alga (Sargassum muticum), and occasional plants of the native ribbon kelp (Egregia menziesii). Other common rocky shore invertebrates, such as chitons, filter-feeding bivalves, and encrusting sponges are expected throughout the intertidal zone.

The subtidal benthic habitats in the Cerritos Channel and West Basin include the subtidal extensions of riprap and piling habitats, and soft-bottom habitat. No mudflats or sandy beaches occur within the West Basin. Rocky shore fishes in this area include black surf perch (Embiotoca jacksoni), pile perch (Damalichthys vacca), dwarf perch (micormetrus minimus), and several species of kelpfish (Gibbonsia spp.). Hard substrata created by construction of the new dike and wharf are expected to support algal, such as tubebuilding snails, red and brown algae, diatoms, sponges, corals, and barnacles.

The soft-bottom infaunal community is dominated by polychaete worms, amphipods, and bivalve mollusks (SAIC, 1997; U.S. Navy, 1996). Macroinvertebrates include yellow crab (Cancer anthonyi), spotted bay shrimp (Crangon nigromaculata), brittle star (Ophiothrix spiculata) and octopus (Octopus sp.).

The new dike along Pier S will require dredging along the southern portion of the channel and excavation of upland area behind the existing dike to widen the channel. Fill for the realignment of the dike, which was previously certified under amendment no. 14, will not be necessary under this proposed amendment. Instead of filling of coastal waters to realign the uneven dike, the Port is proposing to excavate approximately 9.2 acres of upland area behind the existing dike to construct the new wharf, thus creating new marine

POLB PMPA No. 17 Page 10 of 11

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habitat, and dredge along the southern side of the channel to allow berthing of ships along the new wharf.

With the elimination of the 1.5 acres of fill, the proposed dredging and excavation of upland area will generate a net gain of approximately 9.2 acres of water column, soft bottom and hard substrate habitat acreage. There will be no significant impact to the benthic habitat with the proposed realignment of the dike. Furthermore, because the Pier S site is a chronically disturbed industrial site and does not support any sensitive species or habitat the excavation of the upland area associated with the realignment of the dike would have insignificant effects on terrestrial biological resources.

Moreover, with the elimination of the proposed filling of coastal waters, the proposed amendment will avoid any adverse impacts filling has on the marine environment and will eliminate the need for required mitigation.

Approximately 1.1 million cubic yards of excavated material will be generated for off-site use elsewhere in the Port for other Port approved projects. All excavated and dredged material will be deposited at approved fill sites. Possible fill sites have been previously identified and approved by the Coastal Commission, such as Southeast Basin (PMP amendment No. 15) and East Basin (PMP Amendment no. 16). Therefore, the Pier S realignment will result in approximately 9.2 acres of "inner-harbor" marine habitat (see Inner-Harbor Area map, Exhibit No. 3). Therefore, the project will be consistent with Section 30705 and 30708(a) of the Coastal Act.

a. Water Quality.

The proposed amendment would permit activities that may generate long-term and short-term adverse effects on water quality, primarily as a result of construction activities. Dredging of material, placement armor rock, and pier pilings, could result in short-term impacts to existing water quality due to resuspension of sediments and, possibly, sediment-associated contaminants. Wharf construction, including pile driving and vessel operations, would result in local, insignificant water quality impacts. Increased turbidity from pile driving operations and from construction vessel activities would last for approximately 14 months of wharf construction. These potential water quality impacts are similar to the impacts from the approved project certified in PMP Amendment No. 14, and were adequately addressed in that amendment. The Port project incorporated appropriate measures to mitigate any potential adverse impacts. The proposed amendment will not create any additional impacts and will incorporate the same mitigation measures as required in Amendment No. 14.

The Port will require the use of silt curtains or equivalent control structures during construction activities to reduce any potentially significant water quality degradation to a level of insignificance. As indicated in PMP Amendment No. 14, all dredging and in-water disposal activities would be carried out in accordance with federal (U.S. EPA and U.S. Army Corps of Engineers) and state (Regional Water Quality Control Board) regulations

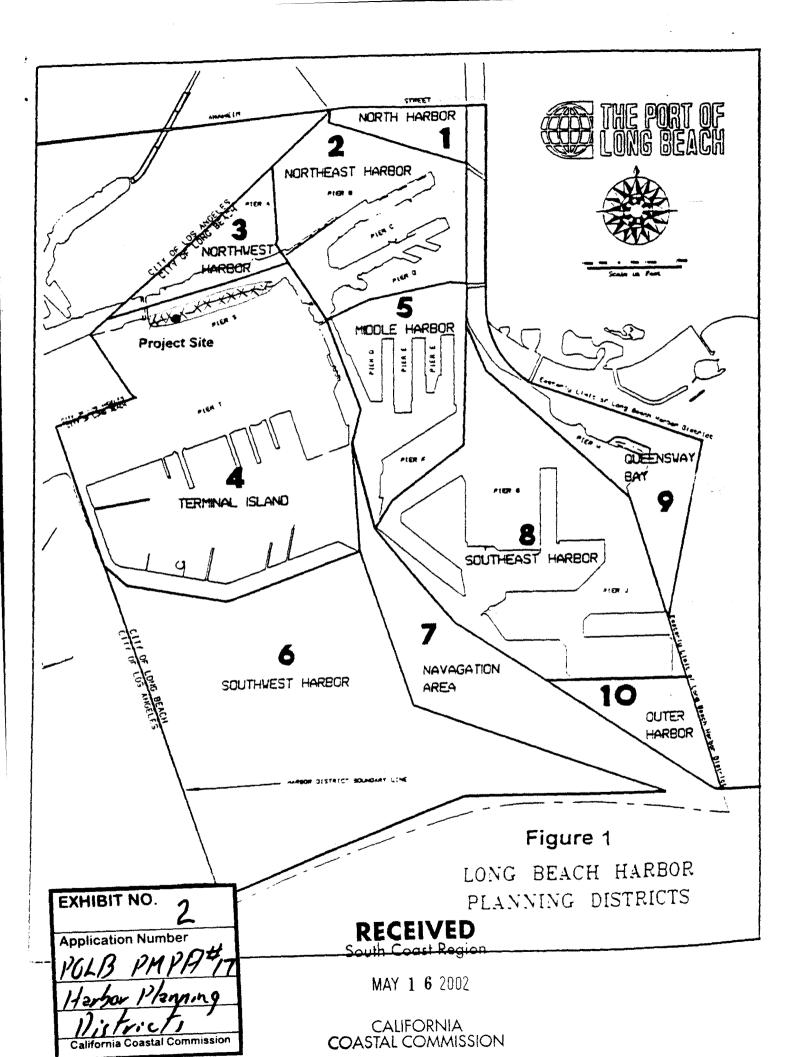
POLB PMPA No. 17 Page 11 of 11

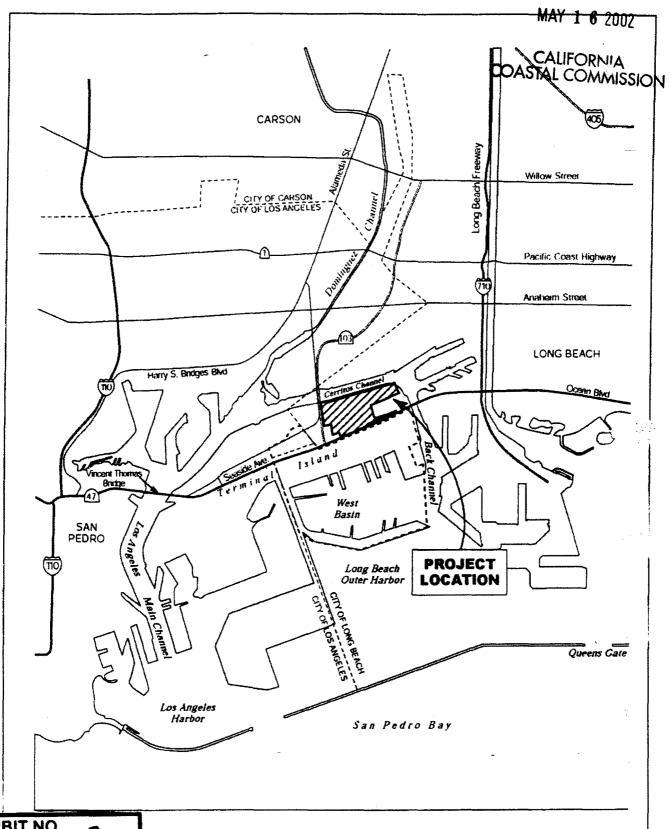
and permit conditions. Therefore, the adverse effects on marine resources or water quality will not be significant and the amendment is consistent with Sections 30705(b)(c) 30706(b), and 30708(a) of the Coastal Act.

C. Summary

In summary, the proposed port master plan minor amendment will allow the Port of Long Beach to construct needed cargo and shipping facilities and other port related facilities, and all adverse impacts to the marine environment will be adequately mitigated. As proposed, the port master plan minor amendment is consistent with all applicable procedural provisions and policies of the California Coastal Act of 1976.







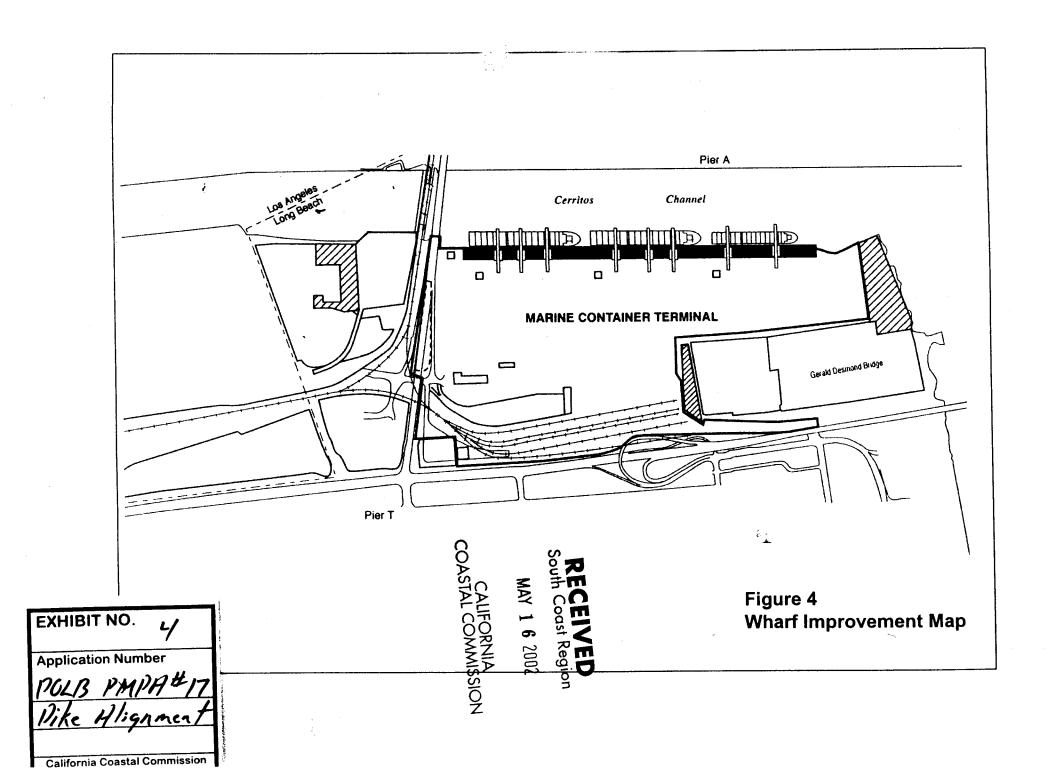
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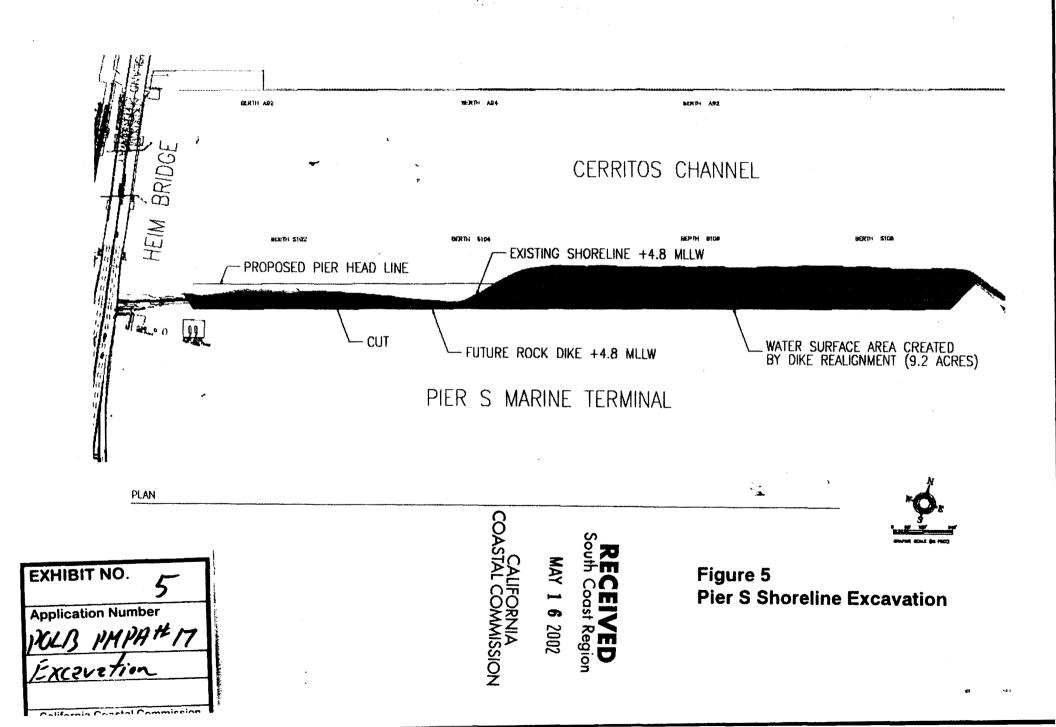
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Termina / Location

California Coastal Commission

Figure 3
Terminal Location Map





Approximately 150 acres of the site would be developed into one of the following: a Marine Container Terminal Without Rail Access, a Marine Container Terminal With Rail Access, an Automobile Import/Export Terminal, or a Multi-Use Storage Area. The remaining 20 acres would be used for relocated oil production activities and other terminal uses.

1.3. PROJECT DESCRIPTION

This section provides a separate description of each of the four project alternatives. All four alternatives would entail similar site preparation, including remediation, structural fill, dike realignment, and relocation of existing oil facilities. The preparation activities common to all four alternatives are discussed below, followed by separate descriptions of the alternatives.

Relocation of Existing Oil Facilities and Utilities

Oil extraction wells. injection wells. pipelines. their associated and other transmission pipelines crossing the site would be relocated and consolidated in three oil production set-aside areas on the perimeter of the site (Exhibit 1-3) and a common utility corridor. The existing biotreatment area for oil production wastes would be properly abandoned. Oil facility abandonment and relocation would occur over an approximately 6-month period.

Site Remediation

Site investigations completed on Pier S identified various contaminants in the sumpsoils and shallow groundwater. including elevated concentrations metals, volatile organic compounds, and semi-volatile organic compounds. concentrations of total discharge hids (TDS) in the groundwater beautiful site

