



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: APRIL 6, 2016

FROM: PLANNING AND STRATEGY

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL II NON-APPEALABLE COASTAL DEVELOPMENT PERMIT (NO. 16-07) TO THE CITY OF LOS ANGELES HARBOR DEPARTMENT FOR THE DEMOLITION OF A TRANSIT SHED AT BERTHS 177-178

SUMMARY:

Staff recommends that the Board of Harbor Commissioners (Board) approve a Level II non-appealable Coastal Development Permit (CDP) No. 16-07 to the City of Los Angeles Harbor Department (Harbor Department) for the proposed Berths 177-178 Transit Shed Demolition Project (Project).

The Berths 177-178 cargo transit shed is a 135,000-square-foot structure located at 802 S. Fries Avenue in Wilmington. The transit shed is a part of the 40-acre omni-terminal operated by Pasha Stevedoring and Terminals (Pasha) comprising Berths 174-181. Pasha has used the transit shed to store steel sheets, coils, and other breakbulk cargo as part of their terminal operations since 1986. The transit shed sustained significant damage from a fire that occurred in September 2014, and has since remained vacant and been deemed unusable. After inspection, Harbor Department determined that the most cost effective option for the building was demolition.

The proposed Project solely involves the demolition of the transit shed. Upon Project completion, the structure's foundations will be left in place and the open property will again be used for the handling and storage of cargo. The entire demolition process, including lead and asbestos abatement procedures, will take approximately 50 days to complete. A historic resource evaluation was completed in August 2015 and determined that the transit shed is not a structure of historical significance due to its history of extensive alterations and damage.

The estimated cost of the proposed Project is approximately \$2.5 million with a 17 percent contingency cost for a total of \$3.0 million and the Harbor Department received \$1.2 million in insurance money for the building.

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RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Hold a public hearing for the proposed Coastal Development Permit No. 16-07, a Level II non-appealable permit;
2. Find that the proposed project conforms with the Port of Los Angeles certified Port Master Plan and find that this project will have no significant adverse environmental impacts as provided in the Final Initial Study/Negative Declaration prepared pursuant to the California Environmental Quality Act;
3. Upon closure of the public hearing, resolve to approve the issuance of Coastal Development Permit No. 16-07, consistent with the project description listed on Application for Port Permit No. 150713-083, and direct the Director of Planning and Strategy to issue said permit; and
4. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – Originally built in 1924, the Berths 177-178 transit shed has been used by Pasha since 1986 to handle and store breakbulk cargo as part of their terminal operations (Transmittal 1). On September 22, 2014, the wharf underneath the transit shed caught fire. The fire caused extensive damage to both the transit shed and the underlying wharf, burning directly under the shed and causing the collapse of areas of the flooring. Berths 177-178 were evacuated and the property has remained vacant since that time, with Pasha continuing its cargo operations using its other available berths in the Port of Los Angeles (Port). As a result of the inspections conducted after the fire, the Harbor Department was faced with either costly retrofits on a damaged building or demolition of the structure. The Harbor Department determined that the most cost-effective approach for the structure was demolition.

Project Description – The proposed Project solely involves the demolition of the transit shed and will take approximately 50 days to complete in total. Prior to commencement of demolition proper abatement and removal procedures will be completed for the lead-based paints and asbestos-containing materials that were identified within the transit shed. Demolition of the 135,000-square-foot structure will be completed in sections, starting from one end of the transit shed and progressing to the other. All existing utility lines will be capped off. Included in the demolition will be the removal of 88 interior steel columns; these columns will be removed to the top of the asphalt concrete with a slurry seal patch to cover the holes. The building will be demolished to top of the pavement and there will be no removal or demolition of any structures below the asphalt concrete. No grading or fill will be required.

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The Harbor Department will be responsible for the estimated cost of \$3.0 million of the proposed project and received \$1.2 million in insurance money for the building. Should the Board approve the issuance of CDP No. 16-07, abatement procedures and demolition of the transit shed are expected to begin in April 2016.

Coastal Permit Requirements – The proposed project is a Level II non-appealable project in accordance with Section 6.4 of the Port Master Plan. A Level II permit is required for projects that involve significant resources; cause major changes in land and/or water use and in the density or intensity of the use; have the potential of creating significant environmental impacts that can or cannot be mitigated; or are appealable. The proposed Project is a Level II CDP because demolition of a building with an estimated cost of \$3.0 million involves significant resources and has the potential of creating significant environmental impacts as outlined in Section 6.4.3 of the PMP (Transmittal 2).

Procedurally, a Level II non-appealable CDP requires a public hearing that is publicized at least fifteen calendar days prior to the scheduled date of the hearing. A public notice for the proposed development was published on March 30, 2016 (Transmittal 3).

The proposed project has been found to be consistent with the PMP and the Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended.

Located in Planning Area 2 of the PMP, this proposed project is a consistent use with the breakbulk facility land use designation of the site. The proposed project to demolish a transit shed is consistent with Section 30708 of the Coastal Act and Policy 2.1 of the PMP, which requires port-related development be given highest priority for the use of existing land within harbors to port purposes such as shipping industries.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval to issue a Level II Non-Appealable CDP to the Harbor Department for the demolition of a transit shed that sustained significant damage from a 2014 fire. The shed has remained vacant and unusable since the fire, and removal of the structure will allow the site's previously existing use of cargo handling and storage to be restored. Upon project completion, conditions at the project site would be essentially similar to those that existed before the fire occurred. The environmental impacts of the underlying project have been assessed in a Final Negative Declaration, which will be considered for approval by the Board prior to issuance of the CDP.

FINANCIAL IMPACT:

The cost estimate for the demolition (including lead and asbestos abatement) is \$2,531,250 with associated soft costs of \$495,000 to bring the total to \$3,026,250 which will be borne by the Harbor Department. Funds in the amount of \$2,531,250 for the demolition have been budgeted for the proposed Project in Account 54010, Center No. 0311, and Program No. 309 whereas \$495,000 in related soft costs have been

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budgeted in other accounts that are available for this Project. The Harbor Department received an insurance payment of \$1,168,513 for the transit shed from FM Global, which will partially offset the total Project costs.

CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board Report and concluded that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 16-07
3. Public Notice

FIS Approval: MB (initials)
CA Approval: MB (initials)



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Director of Planning and Strategy



MICHAEL DiBERNARDO
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APPROVED:



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