

Chapter 7

Socioeconomics and Environmental Quality**7.1 Introduction**

The socioeconomic character of the area in the vicinity of the proposed Project and in the larger Southern California region is described below using information regarding employment and earnings, population, and housing resources. The description of environmental quality in the vicinity of the proposed Project consists of information regarding community redevelopment activities, planning and zoning actions taken by the City of Los Angeles, City of Long Beach, and the two ports, and other physical, social, and economic factors contributing to community perceptions of environmental quality.

7.2 Environmental Setting

The environmental setting of the proposed Project includes existing or baseline conditions and describes attributes of the human and built environment (including infrastructure) in the vicinity of the proposed Project and within the larger region of Southern California. For the purposes of this analysis and as used in this section, “Southern California” refers to a five-county region that includes the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura (i.e., Imperial and San Diego counties are excluded).

7.2.1 Socioeconomics

Socioeconomics encompasses a number of topical areas including employment and income, population, and housing. Within each of these areas, sub-topics are addressed. These include an examination of conditions at different geographical scales that have relevance to the potential impacts associated with implementation of the proposed Project.

7.2.1.1 Employment and Income

Existing conditions with regard to employment and income are described from a number of perspectives. They include the following:

- Conditions at the regional level (the five-county region within southern California, as identified above). This region represents the area in which the bulk of the economic activity stimulated by port-related activities occurs and for which modeling is appropriate.
- The contribution to the regional economy made by international trade;

- 1 • The importance of the “logistics” sector of the economy;
- 2 • The role of the San Pedro Bay ports; and
- 3 • Conditions at the county and local level, (small geographical areas in the vicinity of
- 4 the ports, including Long Beach, Wilmington, San Pedro, Carson and Harbor City).

5 **Employment**

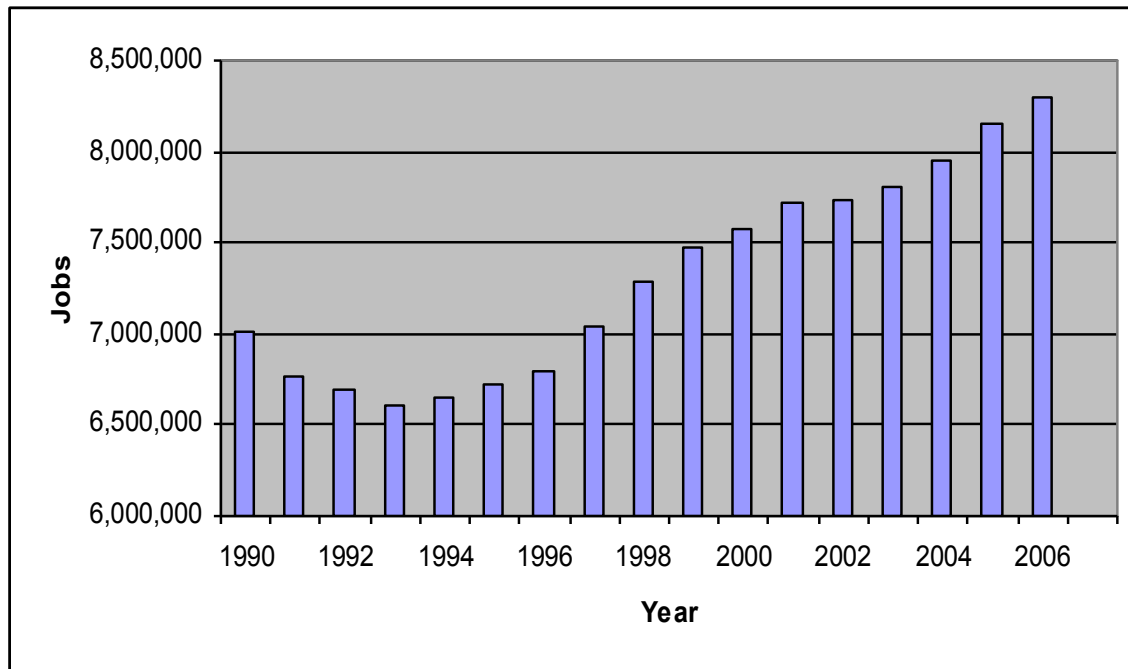
6 Overview: Between 1990 and 2006, employment within the southern California region
7 increased by 1,281,900 jobs (Figure 7-1). Table 7-1 shows that this job growth occurred
8 at different rates within the five counties. Riverside County experienced the largest
9 increase in employment, growing at an average annual rate of 3.3 percent (69.0 percent
10 for the period), while San Bernardino experienced the second largest increase in
11 employment, growing at an average annual rate of 2.2 percent (40.5 percent for the
12 period). Los Angeles experienced the smallest increase in employment with an average
13 annual rate of 0.5 percent (8.7 percent for the period).

14 Based on job growth projections prepared by the Southern California Association of
15 Governments (SCAG)¹, employment within the southern California region is expected to
16 continue to expand (Table 7-2). Riverside County and San Bernardino County are
17 expected to have the largest overall growth in employment between 2005 and 2030 (97.0
18 percent and 76.2 percent respectively, while Orange County is expected to have the
19 highest average annual rate (2.8 percent). Los Angeles is expected to have the second
20 lowest overall growth between 2005 and 2030 (25.7 percent) and the lowest average
21 annual rate (0.8 percent). However, the growth of employment within Los Angeles
22 County is expected to vary within local jurisdictions. Within Los Angeles County, the
23 cities of Carson, Torrance, and Long Beach are expected to have average annual rates
24 higher than the rate projected for the entire Los Angeles County area (0.9 percent, 1.2
25 percent, and 1.0 percent respectively).

26 Table 7-3 shows that the unemployment rate for all five counties within the southern
27 California region has followed a similar pattern. Beginning in 1990, the unemployment
28 rate began to rise, and reached a peak in all five counties in 1993 (Figure 7-2). This
29 increase in unemployment was a result of a reduction in military spending (particularly in
30 the aerospace industry) once the Cold War had come to an end. The unemployment rate
31 began to fall gradually through the remainder of the 1990s as the economy rebounded due
32 to the addition of new jobs associated with the dot.com surge in activity and the
33 residential construction boom. Unemployment rates began to increase slightly for each
34 county in 2000 and 2001, but began to decline again in each county by 2004. The
35 unemployment rate in Orange County was consistently lower than the unemployment rate
36 for the other four counties throughout this period.

¹ The Southern California Association of Governments is the Metropolitan Planning Organization for six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura, and Imperial. The region encompasses a population exceeding 18 million persons in an area of more than 38,000 square miles. As the designated Metropolitan Planning Organization, SCAG is mandated by the federal government to research and draw up plans for transportation, growth management, hazardous waste management, and air quality.

1 **Figure 7-1. Civilian Employment in Southern California (1990-2006).**

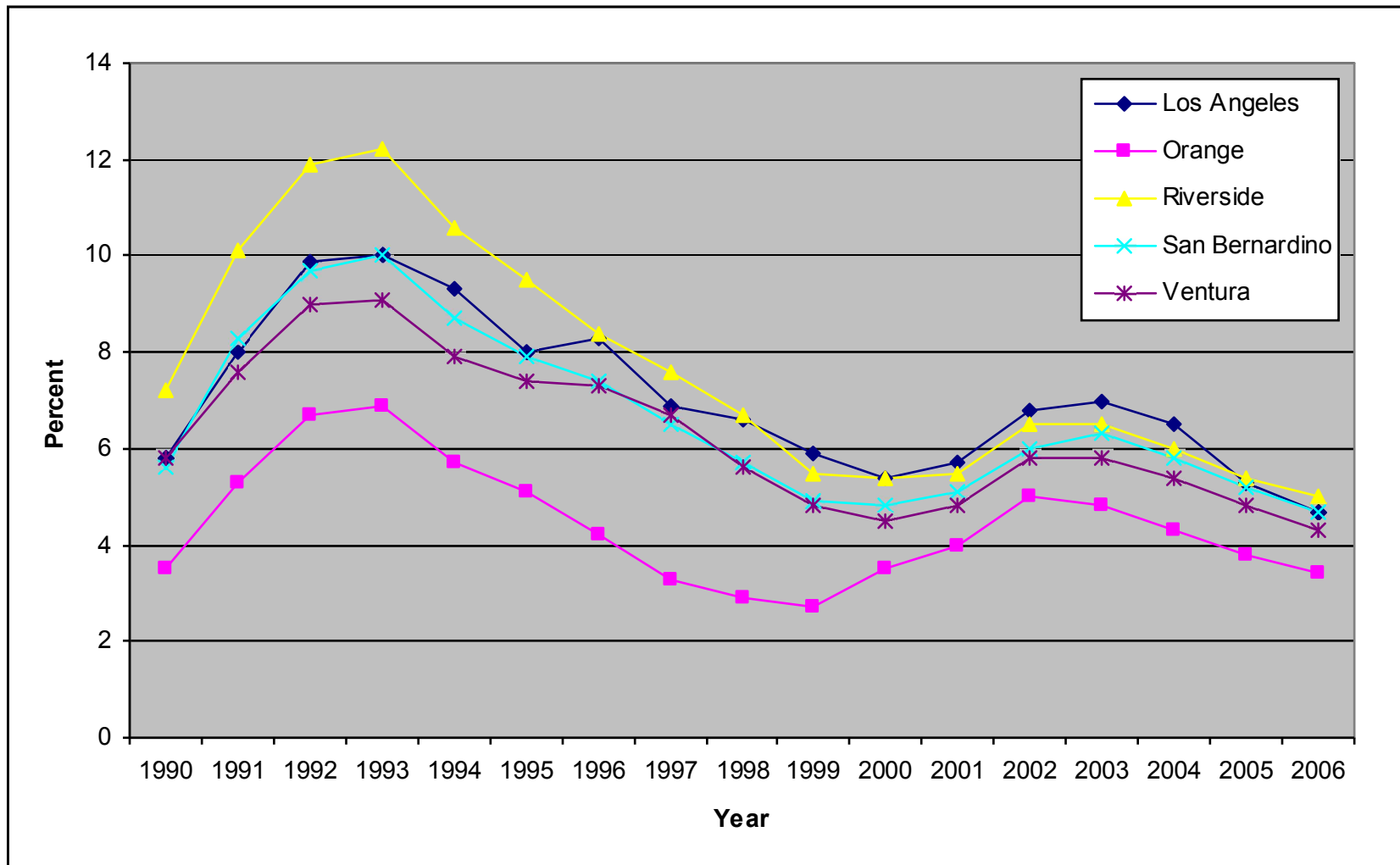


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Table 7-1. Total Civilian Employment by County (1990-2006).

Year	County					
	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG Region
1990	4,259,700	1,306,200	498,300	599,600	345,600	7,009,400
1991	4,101,000	1,247,900	493,800	590,500	338,400	6,771,600
1992	4,006,700	1,241,500	507,600	604,100	339,400	6,699,300
1993	3,908,500	1,236,800	511,600	608,900	341,400	6,607,200
1994	3,898,600	1,257,500	534,000	612,900	350,400	6,653,400
1995	3,938,600	1,254,400	549,900	622,500	351,100	6,716,500
1996	3,967,800	1,280,400	563,100	634,300	349,600	6,795,200
1997	4,117,000	1,328,200	589,600	658,600	353,400	7,046,800
1998	4,246,100	1,385,300	615,900	680,100	364,500	7,291,900
1999	4,309,400	1,422,100	653,600	712,600	375,600	7,473,300
2000	4,424,900	1,428,400	643,900	703,600	374,700	7,575,500
2001	4,483,400	1,453,400	672,000	724,500	380,000	7,713,300
2002	4,447,100	1,456,500	701,800	743,200	384,600	7,733,200
2003	4,440,800	1,484,200	731,500	758,300	389,200	7,804,000
2004	4,477,900	1,516,400	775,900	788,700	393,800	7,952,700
2005	4,581,100	1,544,800	816,500	816,800	400,900	8,160,100
2006	4,631,600	1,568,300	842,000	842,300	407,100	8,291,300
Numeric Change	371,900	262,100	343,700	242,700	61,500	1,281,900
Percentage Change	8.73%	20.07%	68.97%	40.48%	17.80%	18.29%
Average Annual Percentage Change	0.52%	1.15%	3.33%	2.15%	1.03%	1.06%

1 **Figure 7-2. Unemployment Rate in Southern California.**



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Table 7-2. Employment Projections (2005-2030).

	2005	2010	2015	2020	2025	2030	Numeric Change	Percentage Change	Ave. Ann. %
SCAG Region	7,703,946	8,652,468	9,113,530	9,566,212	9,998,496	10,416,130	2,712,184	35.21%	0.92%
Los Angeles County	4,503,683	5,022,215	5,198,739	5,366,865	5,520,139	5,660,992	1,157,309	25.70%	0.78%
Orange County	1,580,855	1,749,985	1,801,602	1,848,135	1,887,542	1,921,806	340,951	21.57%	2.75%
Riverside County	603,610	727,711	839,698	954,499	1,070,761	1,188,976	585,366	96.98%	2.29%
San Bernardino County	669,028	770,877	870,491	972,243	1,074,861	1,178,890	509,862	76.21%	1.18%
Ventura County	346,770	381,680	403,000	424,470	445,193	465,466	118,696	34.23%	1.21%
Incorporated Cities									
Los Angeles city	1,800,766	1,994,358	2,057,435	2,117,623	2,172,642	2,223,338	422,572	23.47%	0.85%
Carson city	59,739	68,552	70,482	72,302	73,932	75,398	15,659	26.21%	0.94%
Palos Verdes Estates city	1,276	1,282	1,286	1,290	1,294	1,298	22	1.72%	0.07%
Rancho Palos Verdes city	4,296	4,807	4,933	5,055	5,162	5,259	963	22.42%	0.81%
Redondo Beach city	24,916	27,506	28,325	29,095	29,784	30,404	5,488	22.03%	0.80%
Rolling Hills city	282	310	321	331	340	349	67	23.76%	0.86%
Rolling Hills Estates city	4,719	4,793	4,930	5,060	5,175	5,278	559	11.85%	0.45%
Torrance city	87,777	108,889	111,523	114,009	116,228	118,230	30,453	34.69%	1.20%
Lakewood city	14,690	15,794	16,509	17,195	17,829	18,423	3,733	25.41%	0.91%
Long Beach city	192,568	213,998	222,549	230,774	238,440	245,647	53,079	27.56%	0.98%
Signal Hill city	11,373	12,255	13,770	15,211	16,524	17,728	6,355	55.88%	1.79%

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Table 7-3. Unemployment Rate (%) By County (1990-2006).

Year	County				
	Los Angeles	Orange	Riverside	San Bernardino	Ventura
1990	5.8	3.5	7.2	5.6	5.8
1991	8.0	5.3	10.1	8.3	7.6
1992	9.9	6.7	11.9	9.7	9.0
1993	10.0	6.9	12.2	10.0	9.1
1994	9.3	5.7	10.6	8.7	7.9
1995	8.0	5.1	9.5	7.9	7.4
1996	8.3	4.2	8.4	7.4	7.3
1997	6.9	3.3	7.6	6.5	6.7
1998	6.6	2.9	6.7	5.7	5.6
1999	5.9	2.7	5.5	4.9	4.8
2000	5.4	3.5	5.4	4.8	4.5
2001	5.7	4.0	5.5	5.1	4.8
2002	6.8	5.0	6.5	6.0	5.8
2003	7.0	4.8	6.5	6.3	5.8
2004	6.5	4.3	6.0	5.8	5.4
2005	5.3	3.8	5.4	5.2	4.8
2006	4.7	3.4	5.0	4.7	4.3

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Table 7-4 presents the changes within each job sector in Los Angeles County between 1990 and 2006. Although Los Angeles County had a net increase in jobs between 1990 and 2006 (Table 7-1), the number of jobs in the manufacturing sector decreased by 349,700 during the same period (43.1 percent). This decrease in manufacturing jobs was a result of the reduction in military spending that began in 1990, which in turn led to a decrease in the average per capita income and average payroll per job within the southern California region. In 2005, the southern California region's average wage per job ranked last among the nine largest metropolitan regions. Similarly, the southern California region's per capita income ranked 16th out of the 17 largest metropolitan regions in 2005. The southern California region had had the 7th highest per capita income in 1990.

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1 **Table 7-4. Total Farm and Nonfarm Employment for Los Angeles County (1990-2006).**

Industry Group	1990	1995	2000	2006	Number	Percent	Avg. Ann. %
Total, All Industries	4,149,500	3,754,500	4,079,800	4,100,200	-49,300	-1.19%	-0.07%
Total Farm	13,700	8,000	7,700	7,600	-6,100	-44.53%	-3.62%
Total Nonfarm	4,135,700	3,746,600	4,072,100	4,092,500	-43,200	-1.04%	-0.07%
Natural Resources and Mining	8,200	4,100	3,400	4,000	-4,200	-51.22%	-4.39%
Construction	145,100	113,300	131,700	156,700	11,600	7.99%	0.48%
Manufacturing	812,000	628,100	612,200	462,300	-349,700	-43.07%	-3.46%
Trade, Transportation and Utilities	794,900	721,100	786,000	814,100	19,200	2.42%	0.15%
Information	186,200	190,900	243,700	209,700	23,500	12.62%	0.75%
Financial Activities	279,900	223,900	224,500	248,000	-31,900	-11.40%	-0.75%
Professional and Business Services	541,600	516,100	587,900	594,700	53,100	9.80%	0.59%
Educational and Health Services	384,700	372,200	416,800	481,300	96,600	25.11%	1.41%
Leisure and Hospitality	306,700	309,800	344,700	387,500	80,800	26.34%	1.47%
Other Services	136,700	131,300	140,000	145,700	9,000	6.58%	0.40%
Government	539,800	535,700	581,300	588,600	48,800	9.04%	0.54%
Federal Government	71,900	63,400	57,900	52,300	-19,600	-27.26%	-1.97%
State and Local Government	467,900	472,300	523,300	536,300	68,400	14.62%	0.86%
State Government	69,900	70,500	77,100	79,500	9,600	13.73%	0.81%
Local Government	398,100	401,800	446,200	456,800	58,700	14.75%	0.86%

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International Trade: International trade includes import and export activities that generate jobs and income for the region and in turn generate higher net economic benefits for the region. The southern California region serves as a major transshipment center that links domestic and global markets within the global economy. The Los Angeles Customs District (LACD), which includes the Port of Los Angeles, Port of Long Beach, Port Hueneme, and Los Angeles International Airport, is the department that facilitates international trade in the region. Total trade through the LACD increased from less than \$40 billion in 1980 to \$399 billion in 2006. Between 2005 and 2006, total trade through the LACD increased from \$348 billion to \$399 billion (or 15 percent). Among the \$51 billion increase, \$39 billion was from imports, and another \$12 billion from exports. Imports accounted for 77 percent of the total amount of trade passing through the LACD, while exports accounted for the remaining 23 percent. In 2006, approximately 46 percent of exports were by air and the remaining 54 percent were by sea. Exports by air are generally smaller and higher-value goods. With respect to imports into the LACD, 87 percent were by sea and the remaining 13 percent were by air.

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Direct employment related to international trade increased from approximately 175,000 in 1980 to approximately 485,000 in 2006. Between 2005 and 2006, employment related to international trade increased by approximately 35,000 jobs. Jobs related to international trade include, but are not limited to, vessel operation, cargo handling, surface transportation (truck and rail), trade finance, freight forwarding, custom brokerage, and insurance.

1 Logistics Sector of the Economy: Freight movement is a system of related and integrated
2 businesses comprised of infrastructure, equipment, personnel, and information
3 components. The purpose of this system is to achieve the distribution of goods and
4 commodities between origins and destinations or suppliers and consumers within an
5 increasingly global economy. It is comprised of the following industrial sectors:
6 wholesale trade; truck transportation; support services for transportation; non-local
7 couriers; general warehousing; and air, rail, and water transportation. This group of
8 industries has begun to provide large numbers of blue collar jobs that have traditionally
9 been found in manufacturing. Accordingly, these industries provide an alternative
10 employment source to replace well-paying manufacturing jobs that have left and continue
11 to leave the region. The system's components work collectively and cooperatively and
12 have a significant impact on the local economy. As an example, a study conducted for the
13 New Jersey Department of Transportation demonstrated that employment associated with
14 freight movement in that state accounted for the direct employment of over 484,000
15 workers, exceeding the number of jobs supported by manufacturing (New Jersey
16 Department of Transportation, 2001).

17 The logistics sector of the economy within the southern California region, including
18 transportation, warehousing, and wholesale trade, are strongly linked to international
19 trade. The logistics sector provided about 620,000 jobs to the southern California region's
20 economy in 2006, or 1 in 12 jobs in the region. Among the total logistics jobs in the
21 State, more than 54 percent were in southern California. Additionally, the logistics sector
22 added approximately 17,000 jobs (2.8 percent) between 2005 and 2006.

23 A factor that freight movement-related businesses in southern California must contend
24 with, which is less of a factor in other parts of the U.S., is the cost of living. According to
25 a study sponsored by SCAG, a number of factors important to companies have become
26 especially costly in southern California: workers compensation insurance, electrical
27 energy, and housing (Economics and Politics, Inc., 2004). For companies that have
28 considerable locational freedom, costs in southern California are not attractive for
29 remaining or for expanding their operations in the region. For many companies, however,
30 proximity to customers (the general population) and other factors such as facilities (ports
31 and airports) and skilled workforce are of overriding importance. These industries include
32 the services sector, motion picture industry, and transportation and warehousing.

33 For more than the last decade, the nation's manufacturers and retailers have adopted
34 "just-in-time" systems. This change in business practices has resulted in the distribution
35 industry creating a series of large goods-holding centers, including in southern California.
36 Their location in southern California is related to the fact that a high proportion of the
37 nation's trade with Asian economies passes through the Port of Los Angeles and the Port
38 of Long Beach. It is anticipated that the volume of this trade will continue to increase,
39 especially with the projected use of post-Panamax container ships. These wide and deep-
40 draft vessels can be accommodated on the West coast only at the ports of Los Angeles,
41 Long Beach, and Seattle-Tacoma.

42 The recent Trade Impact Study prepared for the Alameda Corridor Transportation
43 Authority (ACTA) and the Ports of Los Angeles and Long Beach (ACTA, 2007)
44 examined the economic impacts of the trade that passes through the San Pedro ports (i.e.,
45 the Ports of Long Beach and Los Angeles), by state, Congressional District, and for the
46 nation. According to this study, state and local taxes generated throughout the nation
47 from this trade activity grew from an estimated \$6 billion in 1994 to more than \$28
48 billion in 2005, of which \$6.7 billion was in California. From the ports, nationwide, the
49 trade volume was about \$256 billion, of which \$62.5 billion was in California. From

1 1994 to 2005, the number of jobs associated with the trade activity generated by the Port
2 of Los Angeles and Port of Long Beach tripled, going from 1.1 million jobs nationally in
3 1994 to 3.3 million jobs in 2005. In 2005, about 886,000 jobs within California were
4 related to port industries or port users. This report included the economic contributions of
5 the logistics industries located at the Ports of Los Angeles and Long Beach as well as
6 wholesalers, distributors and retailers located off the Ports.

7 Ports of Los Angeles and Long Beach: The Port of Los Angeles (POLA) and Port of
8 Long Beach (POLB) handled approximately 15.7 million twenty-foot equivalent units
9 (TEUs, a measure of cargo volume based on the industry standard twenty-foot-long cargo
10 container) in fiscal year (FY) 2007; the POLA handled approximately 8.4 million of these
11 TEUs and the POLB handled approximately 7.3 million TEUs. The top containerized
12 imports through the two ports in FY 2007 were electronics, furniture, apparel, auto parts
13 and tires, toys, and plastics, while the top containerized exports were paper, cotton,
14 chemicals, animal feed, scrap metal, and soybeans. The top trading partners in FY 2007
15 were China, Japan, Taiwan, South Korea, Malaysia, Mexico, and Thailand. The total
16 cargo value for the two ports in FY 2007 was approximately \$380 billion. The POLA
17 and POLB are two of the world's largest trade gateways and make substantial
18 contributions to the regional economy. If combined, the POLA and POLB would be the
19 world's fifth-busiest port complex.

20 Trade that flows through the POLA and POLB results in more than \$5 billion a year in
21 U.S. Customs revenues. Trade that flows through the POLA results in \$5.1 billion in state
22 tax revenue and \$21.5 billion in federal tax revenue, while trade that flows through the
23 POLB results in \$4.9 billion a year in local, state, and general federal taxes. Statistics on
24 the ports' respective websites indicate that port industries account for approximately
25 16,360 direct jobs for the POLA and approximately 30,000 jobs for the POLB.

26 Port users, which are businesses that use the ports to receive imports or ship exports, are
27 the biggest contributors to the economy. Export manufacturers are among the major port
28 users while others include local manufacturers who process imported unfinished goods.
29 Port customers are the retail and other non-cargo businesses in the ports. They are most
30 important to communities near the Port as a source of jobs, recreation and specialty
31 consumer goods. For the POLA, port users generate approximately \$12.1 billion and
32 stimulate an additional \$5.5 billion in local industry indirect sales (POLA, 2011). Local
33 "re-spending" by workers employed by port users and the industries they impact amount
34 to approximately \$4.1 billion. Each dollar of spending for port user goods and services
35 produces about 79 cents of additional industry sales in the southern California region.
36 Port customers contribute about \$760 million to the local economy. Trade that flows
37 through the POLB results in approximately \$47 billion in direct and indirect business
38 sales yearly and approximately \$14.5 billion in annual trade-related wages.

39 Occupation by Place of Residence: Table 7-5 provides data on the distribution of
40 occupations for zip codes surrounding the Port of Los Angeles and proposed Project as
41 contained in the 2000 Census². The zip codes selected for the socioeconomic analysis
42 include all zip codes located within a 3-mile radius of the proposed Project. Zip codes
43 that did not have a meaningful amount of land area within this 3-mile radius were not
44 included. Additionally, two zip codes for Torrance, one zip code for San Pedro, and one
45 zip code for Harbor City located outside the 3-mile radius were included since these

² The occupational categories listed in Table 7-5 vary slightly from those listed in Table 7-4 due to the fact that the information comes from two different sources. However, these differences are small and both surveys provide accurate information on the types of employment categories for a particular geographic region.

1 communities are located near the proposed Project and are likely to be affected by
2 changes associated with the proposed Project. According to the 2000 census, 14.8 percent
3 of the County of Los Angeles and 13.2 percent of the City of Los Angeles were
4 employed in manufacturing at that time. Nine of the 13 zip codes within the study area
5 have higher concentrations of people employed in the manufacturing industry than the
6 County of Los Angeles and City of Los Angeles as a whole. The five highest
7 concentrations were found in zip codes for Harbor City (20.3 percent) and Wilmington
8 (22.2 percent), one zip code for Carson (22.2 percent), one zip code for Long Beach (20.7
9 percent), and one zip code for Torrance (18.4 percent).

10 According to the 2000 census, 4.4 percent of employment in the County of Los Angeles
11 and 3.6 percent in the City of Los Angeles was in transportation and warehousing. All zip
12 codes located within the study area have higher concentrations of people employed in the
13 transportation and warehousing industry than the County of Los Angeles and City of Los
14 Angeles overall. The five highest concentrations were found in zip codes for San Pedro
15 (12.7 percent and 10.8 percent), Carson (10.5 percent and 8.1 percent), and one zip code
16 for Long Beach (8.7 percent)

17 **Income**

18 As Table 7-6 shows, median household income in 1999 was \$42,189 in Los Angeles
19 County and \$36,687 in the City of Los Angeles. The median household income for the
20 zip codes within the study area ranged between \$20,015 and \$63,614, as shown in Table
21 7-7. Median family income in 1999 was \$46,452 in Los Angeles County and \$39,942 in
22 the City of Los Angeles. The median family income for the zip codes within the study
23 area ranged between \$19,594 and \$73,461. With respect to total aggregate income, wages
24 and salary income were the largest source of aggregate income for all geographic areas.

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1 Table 7-5. Occupational Breakdown by Place of Residence 2000.

	90501 Torrance	90502 Torrance	90710 Harbor City	90731 San Pedro	90732 San Pedro	90744 Wilming- ton	90745 Carson	90746 Carson	90802 Long Beach	90806 Long Beach	90807 Long Beach	90810 Long Beach	90813 Long Beach
Agriculture, forestry, fishing and hunting, and mining:	0.19%	0.23%	0.05%	0.58%	0.36%	0.63%	0.37%	0.11%	0.31%	0.58	0.39%	0.68%	0.42%
Agriculture, forestry, fishing and hunting	0.10%	0.23%	0.05%	0.53%	0.36%	0.48%	0.17%	0.11%	0.21%	0.10	0.05%	0.54%	0.18%
Mining	0.09%	0.00%	0.00%	0.05%	0.00%	0.15%	0.20%	0.00%	0.09%	0.48	0.34%	0.14%	0.24%
Construction	5.98%	3.69%	3.86%	6.63%	4.22%	6.89%	3.45%	3.58%	4.88%	4.73	4.79%	5.39%	8.79%
Manufacturing	16.69%	18.43%	20.31%	12.77%	12.95%	22.24%	22.16%	12.04%	12.55%	15.29	13.66%	20.70%	19.10%
Wholesale trade	4.42%	5.69%	3.81%	4.07%	4.31%	6.16%	4.64%	3.17%	4.00%	4.30	4.66%	5.55%	4.13%
Retail trade	13.00%	10.50%	10.75%	10.32%	8.56%	9.83%	12.23%	9.21%	9.96%	10.60	9.13%	9.66%	9.96%
Transportation and warehousing, and utilities:	7.25%	7.03%	7.35%	11.33%	13.08%	8.47%	8.49%	11.64%	6.11%	8.52	5.61%	9.27%	4.92%
Transportation and warehousing	6.88%	6.15%	6.88%	10.80%	12.71%	8.06%	8.14%	10.50%	5.68%	7.71	4.89%	8.74%	4.63%
Utilities	0.38%	0.88%	0.47%	0.52%	0.36%	0.42%	0.35%	1.15%	0.44%	0.80	0.73%	0.53%	0.29%
Information	2.17%	3.89%	2.08%	2.52%	3.00%	2.18%	2.58%	4.96%	4.17%	2.98	3.52%	2.14%	1.70%
Finance, insurance, real estate and rental and leasing:	5.01%	6.85%	5.95%	5.28%	6.49%	3.44%	4.86%	5.97%	5.45%	4.45	7.76%	3.78%	3.51%
Finance and insurance	3.06%	4.50%	3.99%	3.19%	4.51%	1.95%	3.23%	4.46%	3.25%	2.98	5.62%	2.81%	1.55%
Real estate and rental and leasing	1.95%	2.35%	1.95%	2.09%	1.98%	1.49%	1.63%	1.52%	2.20%	1.48	2.14%	0.97%	1.95%
Professional, scientific, management, administrative, and waste management services:	12.33%	7.59%	9.52%	9.36%	10.53%	8.83%	8.71%	7.46%	11.14%	9.35	10.09%	8.28%	9.67%
Professional, scientific, and technical services	5.46%	4.23%	3.05%	4.10%	8.33%	1.70%	4.08%	3.29%	5.13%	3.45	7.37%	2.48%	2.15%
Management of companies and enterprises	0.14%	0.09%	0.00%	0.00%	0.00%	0.08%	0.22%	0.00%	0.10%	0.03	0.00%	0.05%	0.00%
Administrative and support and waste management services	6.72%	3.27%	6.47%	5.26%	2.20%	7.06%	4.41%	4.17%	5.91%	5.86	2.72%	5.74%	7.52%
Educational, health and social services:	16.35%	18.39%	18.39%	18.38%	21.94%	12.42%	18.25%	28.03%	20.97%	20.61	23.58%	19.07%	12.21%
Educational services	6.15%	7.53%	6.74%	8.70%	10.89%	5.37%	5.40%	13.17%	9.05%	6.78	10.72%	5.51%	3.94%
Health care and social assistance	10.20%	10.87%	11.65%	9.68%	11.05%	7.05%	12.85%	14.86%	11.92%	13.82	12.86%	13.57%	8.28%
Arts, entertainment, recreation, accommodation and food services:	8.70%	7.13%	7.94%	7.30%	5.18%	9.35%	6.63%	3.25%	12.15%	8.64	6.81%	6.91%	14.52%
Arts, entertainment, and recreation	1.47%	1.77%	1.66%	2.06%	1.58%	1.12%	1.05%	1.14%	2.79%	1.87	2.37%	1.38%	1.34%
Accommodation and food services	7.24%	5.36%	6.28%	5.24%	3.61%	8.23%	5.58%	2.11%	9.36%	6.77	4.44%	5.53%	13.18%
Other services (except public administration)	5.13%	4.27%	6.11%	7.31%	4.93%	7.90%	4.78%	3.48%	5.61%	6.09	4.87%	5.83%	9.06%
Public administration	2.78%	6.30%	3.89%	4.15%	4.45%	1.65%	2.85%	7.08%	2.70%	3.88	5.11%	2.74%	2.01%

2

1 **Table 7-6. Household and Family Income by Source of Income.**

	Los Angeles County	Orange County	Riverside County	San Bernardino County	Ventura County	City of Los Angeles
Median household income in 1999	42,189	58,820	42,887	42,066	59,666	36,687
Median Family Income in 1999	46,452	64,611	48,409	46,574	65,285	39,942
Per Capita Income in 1999	20,683	25,826	18,689	16,856	24,600	20,671
Contribution to total aggregate income from:						
Wages or salary income	74.39%	76.05%	69.25%	76.90%	74.67%	72.76%
Self-employment income	8.28%	7.76%	6.89%	6.03%	8.20%	9.60%
Interest, dividends, or net rental income	7.22%	7.48%	8.24%	4.15%	6.92%	8.00%
Social Security	3.54%	3.16%	6.10%	4.55%	3.54%	3.40%
Supplemental Security Income	0.65%	0.33%	0.59%	0.74%	0.35%	0.72%
Public Assistance Income	0.51%	0.16%	0.36%	0.60%	0.16%	0.56%
Retirement Income	3.70%	3.59%	6.15%	4.96%	4.55%	3.24%
Other Types of Income	1.72%	1.47%	2.44%	2.07%	1.62%	1.73%

2

3 **Table 7-7. Household, Family and Per Capita Income by Place of Residence.**

	90501 Torrance	90502 Torrance	90710 Harbor City	90731 San Pedro	90732 San Pedro	90744 Wilming-ton	90745 Carson	90746 Carson	90802 Long Beach	90806 Long Beach	90807 Long Beach	90810 Long Beach	90813 Long Beach
Median household income in 1999	42,117	48,601	42,299	35,910	63,614	30,259	50,610	59,390	25,860	31,488	50,543	36,966	20,015
Median Family Income in 1999	47,076	51,829	45,854	39,057	73,461	30,800	53,218	62,357	26,865	31,050	61,361	40,119	19,594
Per Capita Income in 1999	18,784	19,749	18,425	18,043	30,842	11,600	15,665	21,037	17,668	13,412	28,830	12,848	7,567
Contribution to total aggregate income from:													
Wages or salary income	78.37%	79.86	76.84	76.90	73.53	80.88	80.63	73.25%	79.94	79.18	73.52%	77.52	76.56
Self-employment income	7.48%	5.51	6.81	6.65	5.58	4.90	3.26	5.62%	5.03	4.79	7.31%	2.54	3.95
Interest, dividends, or net rental income	4.32%	3.08	4.43	4.41	7.92	2.76	3.07	4.65%	3.53	3.92	7.88%	3.48	1.75
Social Security	3.51%	3.84	4.54	4.09	4.75	4.31	4.43	4.37%	3.85	2.95	3.71%	4.64	3.34
Supplemental Security Income	0.69%	0.55	0.74	0.67	0.33	0.77	1.09	0.81%	1.49	1.24	0.38%	1.09	3.00
Public Assistance Income	0.50%	0.34	0.42	0.81	0.07	1.20	0.44	0.54%	0.98	1.98	0.17%	1.03	4.65
Retirement Income	3.79%	5.55	4.69	4.35	6.32	3.04	5.09	8.79%	3.31	3.93	5.10%	7.42	2.77
Other Types of Income	1.33%	1.28	1.53	2.12	1.50	2.14	1.99	1.97%	1.87	2.00	1.92%	2.26	3.99

4

1 7.2.1.2 Population

2 The population of the southern California region increased by approximately 3.4 million
3 people between 1990 and 2005, at an average annual rate of 1.4 percent (Table 7-8). The
4 largest annual increases took place in Riverside County (3.1 percent annually) and San
5 Bernardino County (2.0 percent annually). Los Angeles County had the smallest annual
6 increase (1.0 percent). The population of the City of Los Angeles increased at an even
7 slower annual rate of 0.8 percent. Most cities within the South Bay had average annual
8 increases even smaller than that of the City of Los Angeles, with only Carson, Long
9 Beach, and Signal Hill experiencing slightly higher average annual increases. With
10 respect to community planning areas within the Harbor Area Planning Commission area,
11 the Port of Los Angeles and San Pedro had average annual increases lower than the City
12 of Los Angeles while Wilmington-Harbor City and Harbor Gateway had slightly higher
13 average annual increases.

14 Population projections prepared by SCAG estimate that the population of the southern
15 California region will increase by approximately 4.7 million people between 2005 and
16 2030 at an average annual rate of 0.9 percent (Table 7-9). The highest growth rates are
17 projected for Riverside and San Bernardino Counties, while Los Angeles County is
18 projected to have the lowest growth rate. The population of the City of Los Angeles is
19 project to increase by approximately 359,000 people at an average annual growth rate of
20 0.4 percent.

1 Table 7-8. Population by Region, County, Place, and Community Planning Area.

	1990	2000	2005	Numeric Change	Percentage Change	Ave. Ann. %
SCAG Region	14,531,529	16,373,645	17,952,172	3,420,643	23.54%	1.42%
Los Angeles County	8,863,052	9,519,338	10,258,304	1,395,252	15.74%	0.98%
Orange County	2,410,668	2,846,289	3,103,377	692,709	28.74%	1.70%
Riverside County	1,170,413	1,545,387	1,850,231	679,818	58.08%	3.10%
San Bernardino County	1,418,389	1,709,434	1,919,215	500,826	35.31%	2.04%
Ventura County	669,016	753,197	821,045	152,029	22.72%	1.37%
Incorporated Cities						
Los Angeles	3,485,398	3,694,820	3,950,347	464,949	13.34%	0.84%
Carson	83,995	89,730	95,856	11,861	14.12%	0.88%
Palos Verdes Estates	13,512	13,340	13,955	443	3.28%	0.22%
Rancho Palos Verdes	41,667	41,145	43,171	1,504	3.61%	0.24%
Redondo Beach	60,167	63,261	67,510	7,343	12.20%	0.77%
Rolling Hills	1,871	1,871	1,946	75	4.01%	0.26%
Rolling Hills Estates	7,789	7,676	8,081	292	3.75%	0.25%
Torrance	133,107	137,946	144,683	11,576	8.70%	0.56%
Lakewood	73,553	79,345	82,872	9,319	12.67%	0.80%
Long Beach	429,321	561,522	489,528	60,207	14.02%	0.88%
Signal Hill	8,371	9,333	10,388	2,017	24.10%	1.45%
Harbor Area Planning Commission	182,054	193,168	205,029	22,975	12.62%	0.75%
Community Planning Area:						
Harbor Gateway	36,011	39,685	41,796	5,785	16.06%	0.94%
Port of Los Angeles	1,785	1,804	1,931	146	8.18%	0.49%
San Pedro	74,175	76,173	80,879	6,704	9.04%	0.54%
Wilmington-Harbor City	70,083	75,506	80,423	10,340	14.75%	0.86%

2

3

1 Table 7-9. Population Projections for Region, County, and Place (2005-2030).

	2005	2010	2015	2020	2025	2030	Numeric Change	Percentage Change	Ave. Ann. %
SCAG Region	17,952,172	19,019,636	19,981,038	20,906,661	21,784,645	22,620,923	4,668,751	26.01%	0.93%
Los Angeles County	10,258,304	10,718,007	11,113,772	11,501,884	11,870,934	12,221,799	1,963,495	19.14%	0.70%
Orange County	3,103,377	3,291,628	3,369,745	3,433,609	3,494,394	3,552,742	449,365	14.48%	0.54%
Riverside County	1,850,231	2,085,432	2,370,526	2,644,278	2,900,563	3,143,468	1,293,237	69.90%	2.14%
San Bernardino County	1,919,215	2,059,420	2,229,700	2,397,709	2,558,729	2,713,149	793,934	41.37%	1.39%
Ventura County	821,045	865,149	897,295	929,181	960,025	989,765	168,720	20.55%	0.75%
Incorporated Cities									
Los Angeles	3,950,347	4,090,125	4,147,285	4,203,702	4,257,771	4,309,625	359,278	9.09%	0.35%
Carson	95,856	97,532	100,628	103,678	106,604	109,412	13,556	14.14%	0.53%
Palos Verdes Estates	13,955	13,997	14,029	14,058	14,088	14,116	161	1.15%	0.05%
Rancho Palos Verdes	43,171	43,761	44,662	45,548	46,399	47,217	4,046	9.37%	0.36%
Redondo Beach	67,510	69,076	71,950	74,783	77,501	80,107	12,597	18.66%	0.69%
Rolling Hills	1,946	1,958	2,016	2,074	2,129	2,182	236	12.13%	0.46%
Rolling Hills Estates	8,081	8,131	8,162	8,192	8,221	8,248	167	2.07%	0.08%
Torrance	144,683	145,129	148,227	151,286	154,215	157,029	12,346	8.53%	0.33%
Lakewood	82,872	83,747	84,419	85,083	85,719	86,325	3,453	4.17%	0.16%
Long Beach	489,528	503,450	518,627	533,590	547,937	561,694	72,166	14.74%	0.55%
Signal Hill	10,388	10,558	11,415	12,260	13,070	13,847	3,459	33.30%	1.16%

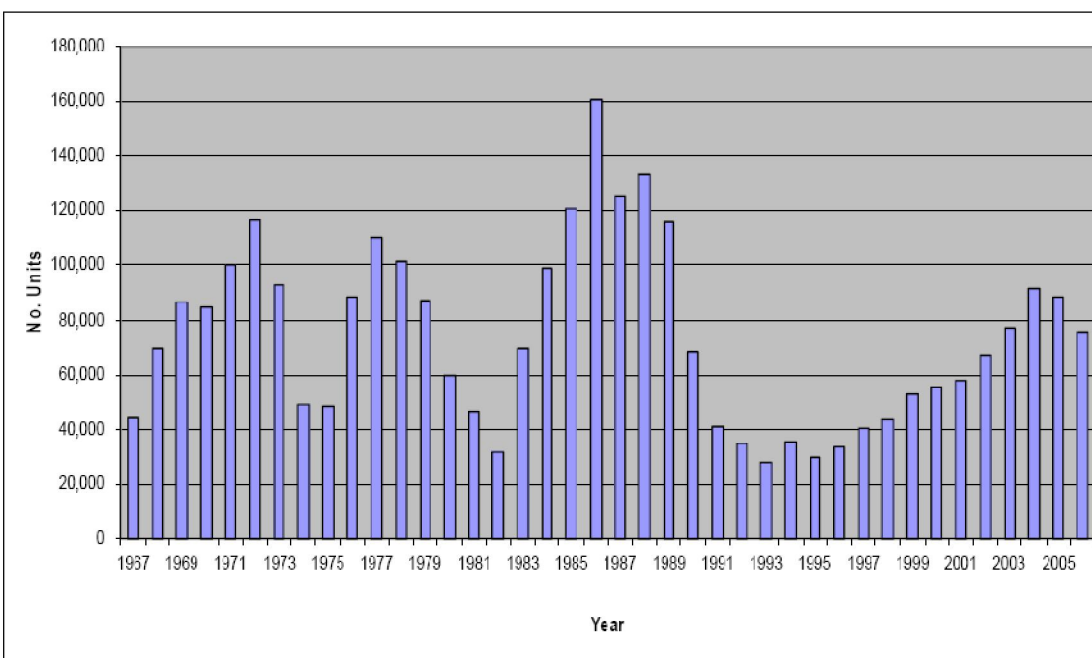
1 7.2.1.3 Housing

2 Aspects of housing described below include construction trends, characteristics of the
3 existing housing stock, and trends in housing prices.

4 Housing Construction

5 Housing construction typically exhibits a cyclical pattern in response to local, regional,
6 and national economic conditions. In the case of Southern California, residential
7 construction experienced periods of expansion between 1967 and 1972, 1975 and 1977,
8 1982 and 1986, and 1995 to 2004 with periods of decline in between. The decline in
9 activity from 1986 through 1993 was in response to the economic dislocation associated
10 with reductions in military defense spending and base closures. As shown in Figure 7-3,
11 the number of units authorized for construction fell from over 133,000 units in 1988 to
12 just over 28,000 in 1993. By 2004, the number of units authorized for construction had
13 reached almost 92,000. However, residential construction began to decline in 2005 and
14 continued to decline in 2006.

15 **Figure 7-3. Housing Units in Los Angeles County (1967-2006).**



16
17

18 Over the 39-year period from 1967 to 2006, almost 3 million housing units were
19 permitted for construction in SCAG region. The majority of these residential units were
20 constructed in Los Angeles County (40.0 percent of the regional total), while the second
21 and third most were constructed in Orange County (21.8 percent) and Riverside County
22 (18.7 percent) respectively.

23

1 Housing Characteristics

2 In Los Angeles County the proportion of owner-occupied housing units in 2000 was
3 almost 48 percent (52 percent was renter-occupied). For the City of Los Angeles, the
4 corresponding shares were 39 percent and 61 percent, respectively. For zip codes within
5 the City of Long Beach near the Port, the proportion of owner-occupied housing units in
6 2000 ranged between 12 percent and 57 percent, while the proportion of renter-occupied
7 housing units ranged between 43 percent and 88 percent. With respect to all zip code
8 areas in the vicinity of the Port, the percentage of owner-occupied housing units varies
9 from high values for western San Pedro and Carson to low values for Wilmington, and
10 areas of Long Beach (Table 7-10).

1 Table 7-10. Housing Characteristics in 2000.

	Los Angeles County	City of Los Angeles	90501 Torrance	90502 Torrance	90710 Harbor City	90731 San Pedro	90732 San Pedro	90744 Wilmington	90745 Carson	90746 Carson	90802 Long Beach	90806 Long Beach	90807 Long Beach	90810 Long Beach	90813 Long Beach
Total Housing Units	3,270,909	1,337,668	14,367	5,801	8,603	22,522	9,501	14,600	15,145	7,754	20,442	15,528	13,125	9,518	17,745
Total Occupied Units	3,133,774	1,275,358	13,810	5,593	8,351	21,370	8,746	13,954	14,671	7,636	18,838	14,575	12,650	9,140	16,436
% Owner Occupied	47.86%	38.56%	42.76%	69.41%	55.53%	31.86%	73.16%	38.79%	74.02%	88.16%	19.52%	36.83%	55.04%	56.73%	12.36%
% Renter Occupied	52.14%	61.44%	57.24%	30.59%	44.47%	68.14%	26.84%	61.21%	25.98%	11.84%	80.48%	63.17%	44.96%	43.27%	87.64%
Vacancy Rate	4.38%	4.89%	4.03%	3.72%	3.02%	5.39%	8.63%	4.63%	3.23%		8.51%	6.54%		4.14%	7.96%
Median Number of Rooms Per Unit	4.2	3.7	4.0	4.4	4.2	3.9	5.1	3.3	4.7		2.8	3.6		4.1	2.8
Units In Structure															
% Single detached	48.72%	39.23%	47.52%	52.58%	43.15%	34.95%	52.80%	43.25%	63.61%	79.58%	4.33%	36.86%	53.35%	64.69%	16.53%
% Single attached	7.39%	6.56%	8.25%	14.46%	6.88%	8.85%	16.82%	9.01%	12.12%	3.87%	2.21%	9.12%	6.96%	6.79%	6.16%
% 2 units	2.74%	3.20%	2.74%	0.53%	1.69%	5.70%	0.43%	3.35%	1.33%	0.00%	2.74%	5.84%	2.73%	2.51%	6.62%
% 3 or 4 units	6.05%	6.45%	8.52%	2.69%	5.31%	20.88%	5.17%	8.95%	2.03%	0.94%	7.86%	12.91%	7.92%	5.65%	16.69%
% 5 to 9 units	8.23%	9.44%	10.72%	7.17%	7.22%	11.39%	8.22%	10.72%	2.26%	2.13%	12.68%	17.48%	6.40%	5.64%	17.34%
% 10 to 19 units	8.05%	10.36%	7.73%	1.45%	11.51%	7.65%	2.94%	8.16%	1.67%	0.52%	26.21%	8.48%	4.56%	3.43%	22.27%
% 20 to 49 units	8.85%	12.83%	7.99%	4.90%	5.14%	5.40%	5.64%	7.26%	2.95%	0.46%	20.48%	5.40%	6.78%	3.53%	8.43%
% 50 or more units	8.25%	11.25%	3.79%	8.77%	6.46%	4.76%	5.44%	6.42%	4.23%	1.92%	22.86%	3.62%	11.22%	4.50%	5.71%
% Mobile home	1.63%	0.61%	2.74%	7.45%	12.41%	0.16%	2.54%	1.99%	9.75%	10.58%	0.07%	0.24%	0.04%	3.18%	0.26%
% Boat, RV, van, etc.	0.10%	0.06%	0.00%	0.00%	0.23%	0.25%	0.00%	0.89%	0.04%	0.00%	0.54%	0.05%	0.05%	0.08%	0.00%
Year Structure Built															
% Built 1999 to March 2000	0.69%	0.54%	0.81%	0.14%	2.71%	0.46%	0.16%	0.76%	1.28%	0.09%	0.17%	0.41%	0.14%	0.43%	0.60%
% Built 1995 to 1998	2.01%	1.90%	2.18%	2.93%	5.95%	1.30%	2.95%	1.67%	1.80%	0.59%	0.92%	1.42%	0.30%	0.89%	2.09%
% Built 1990 to 1994	4.15%	3.72%	5.46%	4.21%	2.58%	4.40%	3.20%	3.41%	3.88%	1.52%	6.12%	1.89%	1.91%	1.18%	4.87%
% Built 1980 to 1989	12.33%	11.09%	9.68%	17.95%	12.48%	12.21%	19.76%	12.49%	11.86%	4.60%	11.45%	11.30%	6.52%	4.41%	14.16%
% Built 1970 to 1979	15.58%	15.02%	12.92%	23.36%	29.44%	15.16%	24.71%	15.49%	16.08%	26.37%	12.49%	11.50%	11.37%	14.30%	15.50%
% Built 1960 to 1969	17.83%	17.53%	22.15%	19.70%	24.31%	17.18%	14.74%	18.43%	30.21%	50.53%	16.91%	12.93%	12.69%	15.58%	19.12%
% Built 1950 to 1959	22.27%	20.49%	23.26%	24.41%	12.00%	16.05%	19.06%	21.99%	24.56%	12.50%	14.81%	18.23%	20.08%	24.30%	14.36%
% Built 1940 to 1949	12.25%	12.99%	12.06%	3.90%	6.89%	13.04%	6.69%	11.80%	7.09%	2.17%	10.10%	21.32%	29.04%	28.48%	10.53%
% Built 1939 or earlier	12.90%	16.71%	11.48%	3.41%	3.64%	20.20%	8.74%	13.96%	3.24%	1.62%	27.03%	21.01%	17.96%	10.42%	18.77%
Median Year Structure Built:	1961	1960	1961	1969	1971	1960	1970	1961	1965	1967	1959	1954	1951	1955	1963

2

1 **Housing Prices**

2 Over the period 1997–2006, the median home price (for existing homes) in Los Angeles
3 County increased from \$153,630 to \$515,063, which is an increase in value of
4 approximately 235 percent at an average annual rate of 14.4 percent (Table 7-11).
5 Median prices in the other four counties of Southern California also rose: 13.9 percent
6 annually in Orange County; 16.0 percent in Riverside County; 16.2 percent in San
7 Bernardino County; and 13.8 percent annually in Ventura County. This rate of increase in
8 home prices, however, did not take place uniformly over the time period. Economies,
9 regional as well as national, experience cycles of growth: positive, neutral, and negative.
10 Over the 5-year period 2002–2006, each of the southern California counties experienced
11 much larger average annual increases than in the previous five year period. However, this
12 trend was not true for the price of new homes. Orange County and Ventura County
13 experienced smaller average annual increases between 2002 and 2006 for new homes
14 than in the previous five year period.

15 Median home prices at the community level also increased at high rates between 1997
16 and 2006 (Table 7-12). Home prices increased in all communities regardless of the level
17 of the price at the beginning of the period. For the period 1997-2006, average annual
18 growth rates in excess of 10 percent were experienced in a number of communities in the
19 South Bay area of Los Angeles County except Palos Verdes Estates and Playa Del Rey.
20 However, those communities with the highest growth rates were communities with
21 among the lowest home prices. Median home prices in Wilmington had the largest
22 increase, increasing from \$103,500 in 1997 to \$470,000 in 2006 at an average annual rate
23 of 18.3 percent.

24

1 Table 7-11. Home Price by County.

Year	New Homes Prices				
	Los Angeles	Orange	Riverside	San Bernardino	Ventura
1997	\$218,133	\$243,646	\$153,791	\$153,611	\$245,507
1998	\$235,950	\$298,481	\$170,380	\$168,044	\$293,543
1999	\$261,862	\$328,734	\$194,870	\$183,042	\$336,735
2000	\$283,039	\$393,883	\$225,728	\$205,042	\$354,752
2001	\$303,094	\$447,835	\$240,306	\$217,961	\$375,972
2002	\$325,262	\$495,872	\$261,350	\$236,718	\$437,222
2003	\$393,247	\$545,765	\$291,350	\$263,673	\$532,349
2004	\$449,728	\$649,253	\$355,761	\$291,129	\$651,229
2005	\$449,374	\$705,917	\$411,707	\$364,224	\$696,102
2006	\$476,687	\$694,797	\$439,692	\$395,707	\$662,290
Change 1997 - 2001					
Percent	38.95%	83.81%	56.25%	41.89%	53.14%
Av. Ann. %	8.57%	16.44%	11.80%	9.14%	11.24%
Change 2002 - 2006					
Percent	46.55%	40.12%	68.24%	67.16%	51.48%
Av. Ann. %	10.03%	8.80%	13.89%	13.71%	10.94%
Change 1997 - 2006					
Percent	118.53%	185.17%	185.90%	157.60%	169.76%
Av. Ann. %	9.07%	12.35%	12.38%	11.09%	11.66%
Existing Homes Prices					
1997	\$153,630	\$192,157	\$105,154	\$92,627	\$183,894
1998	\$168,119	\$215,731	\$112,653	\$97,040	\$195,600
1999	\$179,556	\$228,611	\$122,473	\$104,299	\$209,005
2000	\$194,966	\$253,119	\$137,105	\$114,065	\$233,275
2001	\$216,261	\$284,514	\$158,511	\$130,182	\$257,514
2002	\$255,897	\$336,514	\$182,952	\$148,260	\$306,583
2003	\$312,478	\$402,383	\$226,671	\$179,316	\$365,388
2004	\$389,972	\$506,168	\$300,642	\$236,699	\$471,604
2005	\$468,543	\$579,249	\$370,092	\$316,697	\$552,752
2006	\$515,063	\$617,302	\$400,622	\$356,638	\$586,575
Change 1997 - 2001					
Percent	40.77%	48.06%	50.74%	40.54%	40.03%
Av. Ann. %	8.92%	10.31%	10.80%	8.88%	8.78%
Change 2002 - 2006					
Percent	101.28%	83.44%	118.98%	140.55%	91.33%
Av. Ann. %	19.11%	16.38%	21.65%	24.54%	17.61%
Change 1997 - 2006					
Percent	235.26%	221.25%	280.99%	285.03%	218.97%
Av. Ann. %	14.39%	13.85%	16.02%	16.16%	13.76%

2

1 **Table 7-12. Home Prices by Community.**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	Ave. Ann. %
Carson	\$140,000	\$153,500	\$170,000	\$170,250	\$210,000	\$240,000	\$290,000	\$375,000	\$450,000	\$500,000	15.19%
El Segundo	\$309,000	\$276,750	\$290,000	\$397,000	\$369,500	\$415,000	\$525,000	\$666,000	\$840,000	n/a	13.32%
Gardena	\$149,000	\$150,000	\$165,000	\$166,500	\$206,250	\$231,387	\$285,500	\$382,000	\$450,000	\$500,000	14.40%
Hawthorne	\$149,000	\$149,500	\$172,000	\$198,750	\$205,000	\$260,000	\$327,500	\$387,500	\$526,250	\$526,500	15.06%
Hermosa Beach	\$317,500	\$385,000	\$402,000	\$548,500	\$557,500	\$627,250	\$761,000	\$761,000	\$1,025,500	\$970,000	13.21%
Inglewood	\$130,750	\$134,000	\$145,000	\$154,000	\$173,000	\$203,000	\$242,500	\$327,500	\$400,000	\$497,000	15.99%
Lawndale	\$145,000	\$150,000	\$175,228	\$175,000	\$185,000	\$247,000	\$285,000	\$350,000	\$520,000	\$512,000	15.05%
Lomita	\$170,000	\$190,000	\$240,000	\$250,000	\$240,000	\$340,000	\$423,000	\$470,000	\$607,500	\$562,500	14.22%
Manhattan Beach	\$535,000	\$592,000	\$630,000	\$722,500	\$712,500	\$831,500	\$1,052,500	\$1,320,000	\$1,438,500	\$1,457,750	11.78%
Marina Del Rey	\$290,000	\$340,000	\$360,000	\$384,500	\$449,000	\$452,500	\$559,500	\$760,000	\$902,500	\$799,000	11.92%
Palos Verdes Estates	\$614,000	\$640,000	\$749,500	\$732,500	\$855,000	\$879,000	\$1,035,000	n/a	n/a	n/a	9.09%
Playa Del Rey	\$278,500	\$221,000	\$231,500	\$243,250	\$267,750	\$313,500	\$350,000	\$412,500	\$543,181	\$549,000	7.83%
Rancho Palos Verdes	\$452,500	\$543,000	\$562,500	\$591,000	\$557,000	\$669,000	\$702,250	\$850,000	\$1,000,000	\$1,200,000	11.45%
Redondo Beach	\$286,250	\$300,250	\$318,000	\$346,000	\$400,000	\$449,000	\$550,000	\$651,000	\$760,000	\$750,000	11.30%
San Pedro	\$164,000	\$230,000	\$236,000	\$235,000	\$262,500	\$320,000	\$357,000	\$411,000	\$495,000	\$520,000	13.68%
Torrance	\$239,000	\$243,500	\$247,500	\$297,000	\$307,000	\$365,000	\$400,000	\$490,000	\$599,000	\$610,000	10.97%
Wilmington	\$103,500	\$125,000	\$131,250	\$147,000	\$184,500	\$196,000	\$249,500	\$315,000	\$425,000	\$470,000	18.31%

2

7.2.2 Environmental Quality

7.2.2.1 Introduction

Environmental quality and the effect of urban decay and blight on communities in the vicinity of a proposed project have recently become the focus of attention at the national level. This relationship has been recognized by a number of national organizations (e.g., NRDC, 2004 and ULI, 2002). Such concerns are shared by communities in the vicinity of the ports, residents, community groups, and other entities. “Environmental quality” refers to an aggregative set of factors that contribute to the overall condition of the natural, physical, and human environment. In the context of an urban setting, some key contributing factors include visual quality and aesthetics, land use compatibility and encroachment, socioeconomic conditions, real property values and attributes, air and water quality, hazardous materials and waste sites, and the adequacy of public facilities and services. For the purposes of this discussion, environmental quality is addressed from two perspectives:

- A regulatory context where a “blighted area” refers to an area officially designated for redevelopment by a public agency;
- A non-regulatory context representing the overall perception or impression of an area as being physically degraded and deteriorated, showing visible signs of disinvestment, deferred maintenance by both public and private entities, and other adverse physical characteristics or economic or social conditions that are visible to or experienced by the public (i.e., an area considered by or experienced by members of the community as having degraded environmental quality, regardless of any official designation).

Information provided in this section is derived, in part, from the analysis of land use provided in Section 3.8 (e.g., Section 3.8.2.4, Redevelopment Areas in the Project Vicinity) and in part from POLA (2007).

7.2.2.2 Regulatory Context

Laws, programs, plans, and ordinances relevant to the evaluation of environmental quality and blight for the study area are described below. These include California Community Redevelopment Law, descriptions of nearby redevelopment projects, the Neighborhood Block Group Program, and applicable planning documents. One potential precursor of blight is depreciated or stagnant property values. According to the Los Angeles Economic Development Corporation (LAEDC, 2002), residential property values in communities adjacent to the Port of Los Angeles have increased (a trend that continued through 2005) in recent years and do not exhibit depreciated or stagnant values.

1 **California Redevelopment Law**

2 California's Community Redevelopment Law (Health and Safety Code, Section 33000 et
3 seq.) codifies the authority for certain entities to identify areas that are "blighted"
4 according to the statutory definition of blight, to designate these areas for redevelopment,
5 to prepare redevelopment plans, and to carry out activities subject to these plans in order
6 to support development or redevelopment of these areas. The statutory definition of
7 blight has changed over time and in 1993 was changed to require evidence of both
8 physical and economic blight conditions in a predominantly urban area: "The
9 combination of conditions...must be so prevalent and so substantial that it causes a
10 reduction of, or lack of proper utilization of the area to such an extent that it constitutes a
11 serious physical and economic burden to the community which cannot reasonably be
12 expected to be reversed or alleviated by private enterprise or governmental action, or both
13 without redevelopment." The statute describes the types of physical and economic
14 conditions that cause blight.

15 **Long Beach Redevelopment Projects**

16 As described in Section 3.8.2.4 (Land Use), three redevelopment project areas within the
17 City of Long Beach are located adjacent to or near the Site. In addition to these
18 redevelopment project areas, the Long Beach Department of Public Works has begun
19 work on a "Community Livability Plan" to address quality of life issues and design
20 concepts for neighborhoods adjacent to and impacted by Interstate 710 (I-710). This
21 effort includes the Westside residential neighborhood adjacent to the east of the proposed
22 Project and the Upper West Side and Arlington neighborhoods to the north.

23 **Los Angeles Harbor Industrial Center Redevelopment Project Area**

24 The Los Angeles Harbor Industrial Center Redevelopment Project is also located near the
25 proposed project. As described in Section 3.8.2.4 (Land Use), this redevelopment project,
26 also known as the Wilmington Industrial Park, was adopted on July 18, 1974. The
27 redevelopment project is located southwest of the proposed Project, bounded on the north
28 by Anaheim Street, on the east by Alameda Street, on the south by Harry Bridges
29 Boulevard, and on the west by Broad Avenue. The redevelopment project area was
30 extremely blighted due to oil extraction activities and a mix of junk yards, boat
31 construction yards, and similar heavy industrial uses in an area that also included older
32 residences. Redevelopment activities have resulted in the presence of a modern industrial
33 park with upgraded road and utility systems that have provided a new economic and
34 employment base within the Wilmington community. These improvements have
35 transformed this area into industrial headquarters for more than 75 businesses. Thirty new
36 commercial and industrial developments have been completed, encompassing more than
37 779,000 square feet of floor area (City of Los Angeles, 2007).

38 **Neighborhood Block Grant Area: East Wilmington**

39 In 2000-2001, the City of Los Angeles selected 14 Neighborhood Block Grant (NBG)
40 areas that would be eligible for future receipt of Community Development Block Grant
41 resources. Funds are used for neighborhood revitalization and improvement purposes.
42 The Mayor's Office has formed a Neighborhood Team with Project Managers from the
43 seven Planning Commission Areas including the Harbor. The Neighborhood Team works
44 with Neighborhood Councils and other stakeholders to select, prioritize, and allocate
45 funds for capital improvement projects. The East Wilmington NBG area is bordered by
46 the Pacific Coast Highway on the north, Anaheim Street on the south, Alameda Street on

1 the east and Eubank Avenue on the west. Examples of public improvement projects
2 include sidewalk repair and pocket park/recreational facility improvements.

3 **Wilmington-Harbor City Community Plan**

4 As described in Section 3.8.3.2 (Land Use), the Wilmington-Harbor City Community
5 Plan (City of Los Angeles, 1999) covers the southern portion of the South Lead Track
6 Area and the Potential Operations Areas for Affected Property Owners/Lesseees (south of
7 the Primary Project Area). The Wilmington-Harbor City community plan area also covers
8 the adjacent offsite areas located to the west, south, and southeast of the proposed
9 Project. Relevant policies and objectives of the Wilmington-Harbor City Community
10 Plan are described in Section 3.8.3.2.

11 **Port of Los Angeles Master Plan**

12 As described in section 3.8.3.6 (Land Use), the primary purpose of the Port of Los
13 Angeles Master Plan is to guide the future development of the Port, which comprises
14 public land and water held in trust by the City of Los Angeles under the California State
15 Tidelands Grant. While the proposed Project is not located within the boundaries of the
16 Port Master Plan, which extends only to Anaheim Street on the north and the Badger
17 Avenue Bridge on the east, the Board of Harbor Commissioners has adopted the Port Rail
18 Policy to guide development of additional intermodal rail facilities in the vicinity of the
19 Port of Los Angeles, reduce truck trips, and reduce air emissions from rail operations.
20 The Rail Policy directed Port staff to commence the planning, environmental assessment,
21 site selection, and preliminary design for expanded intermodal rail facilities.

22 **Port of Los Angeles Plan (City of Los Angeles General Plan)**

23 The Port of Los Angeles Plan (Port Plan), which adopted in 1982 with subsequent
24 amendments, serves as the official 20-year guide to the continued development and
25 operation of the Port. It is intended to be consistent with the PMP, as described in Section
26 3.8.3.1.

27 The Port Plan designates the northern and western portions of the Port as
28 Commercial/Industrial land uses, which are further classified as General/Bulk Cargo and
29 Commercial/Industrial Uses/Non-Hazardous uses. General Cargo includes container,
30 break-bulk, neo-bulk, and passenger facilities. Commercial uses include restaurants and
31 tourist attractions, offices, retail facilities, and related uses. Industrial uses include light
32 manufacturing/industrial activities, ocean-resource industries, and related uses.

33 The Port Plan lays out a number of objectives and policies to guide Port development in
34 such a way as to contribute to the prosperity, welfare, and social health of the community
35 and to promote environmental protection. A number of those objectives and policies are
36 applicable to the proposed Project, as described in Section 3.8.3.1.

37 **Objectives**

- 38 • **Objective I.** To maintain the Port of Los Angeles as an important local, regional, and
39 national resource and to promote and accommodate the orderly and continued
40 development of the Port to meet the needs of foreign and domestic waterborne
41 commerce, navigation, the commercial fishing industry, and public recreational
42 users.

- 1 • **Objective 3.** To coordinate the development of the Port of Los Angeles and the
2 development of adjacent communities as set forth in the community plans for San
3 Pedro and Wilmington-Harbor City.
- 4 • **Objective 7.** To promote efficient transportation routes within the Port consistent
5 with external systems to connect employment, waterborne commerce, commercial
6 and recreational areas
- 7 • **Objective 12.** To stimulate employment opportunities for workers residing in
8 adjacent communities, such as San Pedro and Wilmington-Harbor City.

9 **Policies**

- 10 • **Policy 7.** Decisions to undertake individual and specific development projects shall
11 be based on considerations of alternative locations and designs to minimize
12 environmental impacts.
- 13 • **Policy 13.** Road, rail and access systems within the Port and connecting links with
14 road, rail and access systems outside of the Port shall be located and designed to
15 provide necessary, convenient and safe access to and from land and water areas
16 consistent with the long-term preferred uses for the Port and consistent with the
17 applicable elements of the Los Angeles General Plan and the Local Coastal Program.

18 **7.2.2.3 Non-Regulatory Context**

19 This section discusses other potential conditions and concerns not specifically addressed
20 in the regulatory section above. Land use compatibility and encroachment of Port-related
21 industrial uses into the community is a general concern related to environmental quality,
22 including the potential expansion of Port operations beyond the existing Port boundary
23 and acquisition of new property by the Port. Location of rail and highway infrastructure
24 in the community and related traffic, congestion, diesel emissions and public safety and
25 health issues are also a concern. Land uses in the areas surrounding the proposed Project
26 are almost fully developed and include potentially sensitive land uses such as residences,
27 schools, parks, and business parks. Increases in noise, traffic, or degradation of the
28 existing air quality could potentially decrease the environmental quality of these existing
29 land uses.

30 The Port is taking a number of measures designed to reduce impacts of Port operations
31 and improve environmental quality in nearby communities. Section 1.6, Port of Los
32 Angeles Environmental Initiatives, provides a more complete description of the Port's
33 Environmental Management Policy and the measures planned and implemented in
34 accordance with that Policy.

35 **7.2.2.4 The Port's Role**

36 **Port History**

37 The Port of Los Angeles was created in 1907 with the establishment of the Los Angeles
38 Harbor Commission. Port growth was relatively slow until after World War I. Growing
39 exports of local oil and lumber, shipbuilding, fishing and cannery activities resulted in the
40 construction of numerous warehouses and sheds between 1917 and 1930. In 1917, an
41 extensive railroad system was established for transporting goods from the harbors
42 throughout the U.S. Port growth continued during the Depression of the 1930s with new
43 cargo and passenger terminal construction, in some cases replacing outdated wooden
44 cargo structures. Passenger terminals were constructed at the Port during the Port's
45 modernization related to containerized storage, between 1948 and 1953.

1 As economic commerce and technology have changed, the function of the Port has
2 shifted from its earlier focus on fishing, shipbuilding and cargo uses to one where the
3 predominant use is container shipping. These changes have also affected off-site land
4 uses, transportation, and employment. For example, different kinds of storage and
5 transport are required. As the volume of cargo moving through the Port has increased, the
6 capacities of the highway and rail system have become strained and improvements have
7 been required (e.g., the Alameda Corridor). Much of the container cargo currently
8 shipped into the Port consists of finished goods from Asia that are transported to other
9 parts of California and beyond. These types of goods do not require assembly (in the
10 region) and may be transported to warehouses or distribution centers beyond the Port
11 area. In contrast, imported oil (non-containerized) may be refined in nearby refineries
12 before being transported elsewhere; local refineries have also supported oil production in
13 the vicinity of the Port or other parts of California. Ancillary uses have also changed,
14 including shipping suppliers, goods recyclers, various light industrial uses, and as a
15 result, uses may have become outmoded or less economically viable, in some cases
16 resulting in the need for economic revitalization and redevelopment.

17 **7.3 Project Effects Related to** 18 **Socioeconomics and Environmental** 19 **Quality**

20 This section addresses proposed Project effects related to socioeconomics, followed by a
21 discussion of proposed Project effects related to environmental quality.

22 **7.3.1 Project Effects Related to Socioeconomics**

23 **7.3.1.1 Impact Methodology**

24 The initial step in estimating socioeconomic effects associated with implementation of a
25 project is to characterize aspects of the construction and operational phases of that
26 project. With the aid of economic impact modeling techniques (described below), the
27 economic effects of each aspect of a project are translated into measures such as jobs and
28 income.

29 Distinctions are made between the terms “hinterland” and “economic impact area.” The
30 hinterland of a port is the spatial extent of the market reach (i.e., the geographical area
31 from which cargo shipped through a port originates and area where cargo moving through
32 a port is destined). The geographical extent of the hinterland usually is related directly to
33 the size and number of facilities at a port. The economic impact area is a geographical
34 area selected for purposes of impact analysis and comprises the area within which the
35 great majority of project-related impacts are anticipated. The economic impact area is
36 typically smaller than the hinterland.

37 The primary catalyst for changes to socioeconomic resources is a change in economic
38 activity (i.e., industrial output [value of goods and services], employment, and housing,
39 and associated community services and infrastructure. This is especially the case when
40 the additional job opportunities created through implementation of a project (during both
41 the construction and operation phases) cannot be satisfied by the local workforce. Such a
42 situation can trigger a movement of workers to the area to fill the supply of new jobs.

1 Such an influx may be temporary, as in the case of short lived construction activity, or
 2 permanent, as in the case where workers move to an area to fill long-term jobs. The
 3 movement of workers (and sometimes their accompanying family members) into an area
 4 depends mainly on the number of job opportunities made available by the project and the
 5 number and skill mix of workers available in the local labor force.

6 **Economic Effects of Port Operations**

7 The proposed Project is directly related to, and dependent upon, the operations of the
 8 ports of Los Angeles and Long Beach, since its purpose is to move cargo handled by
 9 those ports. Economic models and analysts distinguish several types of port operations.
 10 “Port Industry” is defined as any regional economic activity that is directly needed for the
 11 movement of waterborne cargo and passengers. This definition includes activities that
 12 take place on the vessel, at the terminals, and during the inland movement of the cargo
 13 and passengers. The definition as it pertains to cargo movement (passengers are not
 14 relevant to the Project) includes documentation, financing, brokering, and other essential
 15 services that are directly required for the movement of waterborne cargo. Table 7-13
 16 provides a detailed breakdown of Port Industry activities related to cargo movement.

17 Because the revenues and employment associated with Port Industry activities could
 18 cease to exist if the ports were to close down or become less efficient and lose their cargo
 19 base, this employment base is directly impacted by port activities. A much larger group
 20 of business that is less directly related to a port includes businesses that produce,
 21 consume, or take to retail sale the products that move through the ports.

22 The analysis of the proposed Project and alternatives in this chapter focuses on
 23 expenditures from construction activities and Port Industry operations, and associated
 24 jobs, output, and tax revenues. The analysis concentrates on the railyard component of
 25 the proposed Project because the relocated businesses are assumed to maintain their
 26 businesses elsewhere in the immediate region with little change in activity levels,
 27 revenues, or employment.

28 **Table 7-13. Port Industry Activities.**

Vessel Expenditures	Terminal Expenditures	Transaction Expenditures	Inland Expenditures
Waterside Services: Tugs Pilotage Line Hauling Launch Radio/Radar Surveyors Dockage Lighterage Suppliers: Chandler/Provisions Laundry Medical Waste Hauling Bunkers: Oil Water	Loading/Discharging: Stevedoring Clerking and Checking Watching/Security Cleaning/Fitting Equipment Rental In-Transit Storage: Wharfage Yard Handling Demurrage Warehousing Auto & Truck Storage Grain Storage Refrigerated Storage Cargo Packing: Export Packing Container Stuffing and Stripping	Government Requirements: Customs Entrance/Clearance Immigration Quarantine Fumigation Other: Banking Freight Forwarding Insurance Brokers	Inland Movement: Long Distance Truck Short Distance Truck Barge Air Rail Pipeline

Source: U.S. Maritime Administration, 2000.

1 **Direct, Indirect, and Induced Effects**

2 Each of the types of sectors related to port operations has a multiplier effect by which
3 expenditures in one sector contribute more output and jobs than the direct expenditure
4 alone.

5 Vessels, terminals, transportation providers, and other Port Industry businesses purchase
6 goods and services from industries to support their operations. These suppliers, in turn,
7 purchase supplies and services to support their operations. These purchases continue to
8 ripple through the regional economy and impact the surrounding communities. In
9 economic impact terms, this set of expenditure ripples is known as the indirect effect. In
10 addition to the indirect effect of expenditure ripples, workers employed by the Port
11 Industry and their suppliers also generate economic impacts. The employees of the Port
12 Industry and their suppliers spend their wages and salaries on such purchases as food,
13 clothing, retail items, and vehicles. The economic ripples generated by employee
14 spending are known as the induced effect.

15 The total economic impact of each economic sector associated with port operation
16 consists of direct, indirect, and induced effects. The sum of indirect and induce effect is
17 also called secondary effect. The ratio of total (direct, indirect, and induced) effects to
18 direct effect is often called the “economic multiplier.” Multipliers represent a quantitative
19 expression of the extent to which some initial, “exogenous” force or change (such as
20 development and/or expansion of a port terminal) is expected to generate additional
21 effects through the interdependencies that exist in the economy or “endogenous” linkage
22 system. Multipliers are predicated upon a domino theory of economic change. They
23 translate the consequences of change in one variable upon others, taking account of
24 sometimes complicated and roundabout linkages. Multipliers are numerical coefficients
25 that relate an initial change in demand (or employment) to a consequent change in total
26 income (or total employment).

27 Multipliers usually range between 1.0 and 3.0 and vary by the size and complexity of the
28 regional economy, by the interaction of industries within the area, and the interactions
29 between the regional economy and other regions. The more inputs that are purchased
30 locally and consumer expenditures made locally, the higher the multiplier. The larger and
31 more highly urbanized the area, the more complex and integrated the economy is likely to
32 be. Thus, more of the additional economic activity will likely occur within the area and
33 increase the size of the multiplier.

34 **Economic Measures of Project Effects**

35 In describing the economic effects that implementation of a project could have on the
36 regional economy, a number of measures can be used such as net changes in regional
37 employment, output, wages, tax revenue, and value added. Attention is focused here on
38 employment, output, and tax revenues.

39 **7.3.1.2 Proposed Project**

40 **Construction**

41 Implementation of the proposed Project would require completion of a number of
42 additions and improvements to port facilities. The improvements are projected to occur
43 mainly between 2013 and 2015. Direct project expenditures cast in an annual timeframe
44 are presented for each year (Table 7-14). It is anticipated that effects associated with

1 construction of the proposed Project would be experienced mostly in the five-county
2 Southern California region, and it is this geographical area for which effects are reported.

3 Employment Impacts: During the construction phases of the proposed Project,
4 approximately 1,500 jobs annually, both direct and secondary, could be added to the
5 regional economy. The majority of total jobs are attributable to the construction sector of
6 the economy (54.8 percent). About 27.7 percent of the total number of new jobs would be
7 in the services sector, about 2.2 percent in the manufacturing sector and 9.2 percent in the
8 retail trade sector.

9 Income and Tax Revenues: Aggregate wages and salaries during construction would
10 reach over \$39.4 million annually. This equates to an average annual wage or salary for
11 each worker related to the proposed Project (both direct and secondary) of \$46,600 per
12 year (2010 dollars).

13 Annual state and local tax revenues contributed by these workers for the peak activity
14 year (2013) would reach \$11.2 million. Overall, the project is estimated to contribute
15 \$57.6 million in federal taxes, \$28.9 million in state and local taxes.

16 **Table 7-14 Project Expenditures and Output.**

Construction Impacts				Operation Impacts				
Employment				Employment				
	2013	2014	2015		2016	2023	2035	2046
Direct	857	816	727	Direct	271	338	411	450
Indirect	212	206	188	Indirect	130	162	197	216
Induced	430	410	365	Induced	259	323	393	431
Total	1,499	1,431	1,281	Total	660	823	1,001	1,096
Wage (\$Millions, 2010)				Wage (\$Millions, 2010)				
	2013	2014	2015		2016	2023	2035	2046
Direct	42.3	40.1	35.7	Direct	29.6	37	45	49.2
Indirect	10.5	10.1	9.2	Indirect	7.7	9.6	11.7	12.8
Induced	17.2	16.4	14.7	Induced	11.2	14	17	18.6
Total	70	66.7	59.5	Total	48.5	60.6	73.6	80.7
Tax (\$Millions, 2010)				Tax (\$Millions, 2010)				
	2013	2014	2015		2016	2023	2035	2046
State and Local	11.2	10.7	9.5	State and Local	8.8	11	13.3	14.6

17
18 **Operations**

19 Employment: Implementation of the proposed Project could result in an increase in
20 employment of between 660 jobs in 2016 to 1,096 jobs in 2046 (Table 7-14). The
21 majority of jobs are attributable to direct employment, although secondary jobs (indirect
22 and induced) would make a sizeable contribution.

23 In conjunction with the creation of the proposed SCIG facility, BNSF would undertake a
24 workforce development strategy focused on preparing local unemployed and
25 underemployed residents and youth for employment opportunities associated with

1 the proposed SCIG facility. Qualified local residents would be given first priority for all
2 new jobs.

3 The proposed workforce training program is intended to address the barriers most often
4 faced by the target population, such as a lack of high school diploma/GED, limited
5 English, a lack of awareness of career paths and access to skills training, inadequate life
6 skills, job search skills, and financial/supportive services. Key elements of the program
7 include:

- 8 • To ensure adequate community awareness of the employment and career
9 opportunities available and interest among the emerging workforce a series of
10 orientation/outreach events and career resource fairs, as well as high school career
11 awareness sessions, will be conducted.
- 12 • To ensure residents possess knowledge of the industry, work ethics, skills and habits,
13 the program will include work readiness certification classes.
- 14 • Tuition support will be provided for residents to receive occupational skills training
15 consistent with the hiring needs of the SCIG facility or other goods movement
16 employers. Training will include truck drivers, heavy equipment operators, private
17 security guards, international trade, and logistics-focused basic skills training (such
18 as writing, math, computer, and critical thinking)
- 19 • Coordinate recurring hiring events/job fairs to connect residents and program
20 graduates to SCIG openings.

21 It is anticipated that all training activities would be delivered at facilities provided
22 through a collaborative partnership among the local workforce system, educational,
23 training, and community-based entities to maximize the positive impact for the
24 community. These collaborative partners will include appropriate local One-Stop Career
25 Centers, WorkSource Centers, Four-Year Universities, Community and Technical
26 Colleges, Regional Occupational Programs, and contracted service providers.

27 Income and Tax Revenues: Aggregate wages and salaries during operations for Project
28 personnel would reach over \$48 million in 2016 and increase to \$80 million by 2046
29 (Table 7-14). This equates to an average annual wage or salary for each worker related to
30 the proposed Project (both direct and secondary) of approximately \$73,500 per year in
31 2016 (2010 dollars).

32 Annual state and local tax revenues contributed by these workers for the first year of
33 operations (2016) would be almost \$9 million. By full operations in 2046, annual state
34 and local tax revenues contributed by these workers is estimated at \$14.6 million.

35 **7.3.1.3 Alternative 1: No Project**

36 Construction: There would be no construction activities associated with the No Project
37 alternative. Therefore, there would be no construction-related employment or income
38 effects.

39 Operation: Total employment by existing tenants would be expected to increase by
40 approximately 10 percent over baseline by the year 2016, consistent with the assumed
41 increase in activity levels, without implementation of the proposed Project.

42

1 **7.3.1.4 Alternative 2: Reduced Project**

2 Construction: In this alternative, the near-dock railyard described in the proposed Project
3 would be constructed on the site, but its activity level would be limited by lease
4 conditions. All physical features of the project would be the same as the proposed
5 Project, including the container handling systems and the off-site improvements to roads
6 and trackage (Section 2.4.2). The construction methods and schedule would be the same
7 as the proposed Project (Section 2.4.3). As a result, the employment, income, and tax
8 effects of construction would be similar to the proposed Project (Section 7.3.1.2).

9 Operation: Throughput of the Reduced Project would be approximately 3,000 containers
10 per day and the facility would employ 250 workers (Table 2-6). Accordingly, economic
11 benefits such as jobs and income from operation would be reduced by about 40 percent
12 compared to Proposed Project, which would employ 450 workers.

13 **7.3.2 Project Effects Related to Environmental** 14 **Quality**

15 Section 7.2.2 described existing conditions related to environmental quality. That
16 description included an overview of the regulatory setting in which, under California
17 Redevelopment Law, a “blighted area” refers to an area officially designated for
18 redevelopment by a public agency based on physical and economic conditions.

19 “Blight” is also referred to as “urban decay,” and can be considered an indirect
20 environmental effect of a proposed project. Urban decay is defined as physical
21 deterioration in an urban area that is so prevalent and substantial that it impairs the proper
22 utilization of affected real estate or the health, safety, and welfare of the surrounding
23 community, which the community cannot be reasonably expected to reverse or alleviate
24 without redevelopment. Measures of physical deterioration include:

- 25 • High business vacancies;
- 26 • Abandoned buildings and commercial sites;
- 27 • Buildings that are unsafe for commercial or residential occupation;
- 28 • Vandalized properties and other evidence of abnormally high property crimes, such
29 as graffiti, broken/boarded windows and doors, etc.;
- 30 • Unauthorized use of properties and building, particularly by squatters;
- 31 • Presence of accumulated trash and/or evidence of dumping;
- 32 • Loitering;
- 33 • Unmaintained landscaping, weeds;
- 34 • Abandoned equipment and machinery; and
- 35 • Unimproved streets and alleys.

36 **7.3.2.1 Proposed Project**

37 Although the proposed Project would result in some business displacement, those
38 displacements are not expected to lead to physical deterioration so prevalent and
39 substantial that it would impair the proper utilization of affected real estate or the health,
40 safety, and welfare of the surrounding community because the displacements would be
41 minimal in the broader context of the surrounding community. The fact that the expected

1 business displacements would be minimal, taken together with the expansion of existing
2 activities and land uses with the concurrent increase in direct, indirect and induced
3 employment as well as income in the region, indicates that the proposed Project would
4 not lead to blight impacts in the context of the community.

5 Likewise, some air quality, noise, and visual impacts are anticipated to affect areas
6 adjacent to the project site. Because industrial uses currently occur in the area, however,
7 and businesses and residents are already accustomed to the presence of nearby industrial
8 uses and their activities, these impacts are not expected to cause business or residence
9 abandonment or lead to “blight in the broader context of the surrounding community.

10 The proposed Project would not adversely influence residential property values in the
11 areas immediately adjacent to the Project site, given that it would represent a continuation
12 of existing types of activities and land uses and hence, would not change the profile of
13 the community from a residential perspective. In addition, changes in property value are
14 dependent on numerous factors that are additional and unrelated to the proposed Project,
15 including the housing market crash of 2009 that decreased property values across the
16 state and country, monetary interest rates, ease of access to employment centers,
17 availability of quality education, and historic and existing zoning practices.

18 The proposed Project would also increase the number of direct, indirect, and induced jobs
19 as well as income in the region, which would result in other, additional economic
20 benefits. Since the proposed Project would not adversely influence residential property
21 values and would expand economic activity in the region, the proposed Project would not
22 result in blight impacts.

23 The proposed Project would also not induce substantial unanticipated population growth
24 because most new employees would come from local sources in the Los Angeles area.
25 Additionally, the potential for substantial secondary population growth is minimal, and
26 any incidental potential for secondary population growth in the surrounding communities
27 would be controlled by the policies of surrounding local and regional plans that address
28 land use issues.

29 Section 7.2.2 also described other conditions which, independent of any public agency
30 designation, may be perceived by the community as reducing environmental quality or
31 causing urban decay. These non-regulatory conditions include an area being physically
32 degraded or deteriorated or other types of physical, social, and economic conditions
33 visible to or experienced by the public. Off-site container storage, truck parking, and
34 truck traffic within residential neighborhoods are examples of such physical conditions.

35 As discussed above, the proposed Project would result in some business displacement,
36 but these events are not expected to lead to physical deterioration so prevalent and
37 substantial that it impairs the proper utilization of affected real estate or the health, safety,
38 and welfare of the surrounding community.

39 Likewise, while some air quality, noise, and visual impacts are anticipated to affect areas
40 adjacent to the project site, these impacts are not expected to cause business or residence
41 abandonment or lead to “blight” because industrial uses currently occur in the area and
42 businesses and residents are accustomed to existing nearby industrial uses.

43

1 **Container Storage**

2 The proposed Project area is devoted to warehousing, transloading; container and truck
3 maintenance, servicing, and storage; rail service; and access roads for tenants. The intent
4 of the facility is consistent with the current character of the area, and is designed to assist
5 in the distribution of containers from one transportation mode to another.

6 It is anticipated that the SCIG facility would handle approximately 2 million TEUs in its
7 first year of operation (2016) and increase to its maximum capacity of 2.8 million TEUs
8 (1.5 million containers), as proposed by the project applicant, in its 8th year of operation
9 (2023). The area is not currently dedicated, or planned, for container storage. Thus, the
10 proposed Project would not have direct impacts on the community's environmental
11 quality as it relates to container storage because the project area is already devoted to
12 warehousing, transloading, container and truck maintenance, servicing and storage, and
13 transportation services

14 **Truck Use in Neighborhoods**

15 Established truck routes provide access into marine terminals, rail facilities, and
16 warehousing and distribution facilities. The proposed Project includes the required use of
17 designated industrial-area truck routes which enable heavy containers to be moved under
18 special permits to and from I-710 and Interstate 110 (I-110, also known as the Harbor
19 Freeway), along routes that have been constructed to accommodate heavy loads. This
20 requirement would prohibit use, by Project trucks, of other local streets where traffic,
21 noise, and air quality impacts to residential areas would be increased.

22 The proposed Project would eliminate a portion of existing and future truck trips between
23 the Port and the BNSF's Hobart Yard, in Vernon, by diverting them to the proposed
24 SCIG facility. The changes in traffic patterns, which are evaluated in this EIR, are being
25 proposed in order to shorten truck trips for movement of containers between ships and
26 railcars, thereby easing traffic conditions on local freeways and reducing air quality
27 impacts.

28 The proposed Project would provide direct rail access to the Alameda Corridor and
29 enable the Alameda Corridor to reach its potential in terms of train capacity, thereby
30 further realizing the significant benefits that already result from its use. Because it would
31 result in shortened truck trips that would ease local freeway conditions and air quality
32 impacts, the proposed Project would not create blight impacts from degraded
33 environmental quality or public perceptions of degraded environmental quality.

34 **Property Values Trends**

35 Proposed Project facilities would be designed and built to comply with existing municipal
36 codes and standards. The proposed Project would not cause building code violations,
37 dilapidation and deterioration, defective design or physical construction, faulty or
38 inadequate utilities, or other similar physical factors that contribute to blight. The
39 proposed Project would enhance the productivity of the Ports by reducing the amount of
40 marine terminal backland areas used for staging containers. The proposed Project would
41 use required design standards for facility development, and as a result, would not
42 contribute to blight resulting from physical deterioration.

43 While proximity of the Port may historically have led to generally lower residential
44 property values in communities nearest the Port compared to more affluent communities
45 in southern Los Angeles County, residential property values in communities near the Port

1 have remained closely related with the increase and decrease in real estate values across
2 the region that has taken place in recent years. It is not anticipated that the proposed
3 Project would change residential property trends in the areas immediately adjacent to the
4 Port because a wide variety of other factors have major influence over property values
5 and because the proposed Project is consistent with the established character and history
6 of the community where it would be located.

7 The proposed Project would increase the number of direct, indirect, and induced jobs and
8 income in the region and result in other economic benefits. While the economic benefits
9 are beneficial, the increase in jobs attributable to the proposed Project would be relatively
10 small compared to current and projected future employment in the larger economic
11 region. Thus, the Project would also not likely contribute substantially to increased
12 property values due to its direct or indirect economic impacts.

13 **7.3.2.2 Alternative 1: No Project**

14 Under the No Project Alternative, the Port would not issue any permits or discretionary
15 approvals, the SCIG Project would not be built, and existing uses at the site would
16 continue under existing or holdover leases. Forecasted increases in cargo throughput at
17 the two San Pedro Bay ports, including intermodal cargo, would still occur. This
18 alternative assumes that existing operations would continue at the project site. It also
19 assumes that drayage trucks that would operate between the marine terminals and the
20 SCIG under the proposed Project would instead operate between the marine terminals
21 and the Hobart Yard. Accordingly, compared to the proposed Project, the No Project
22 Alternative would result in approximately 900 additional truck round trips per day on I-
23 710 in 2016, increasing to approximately 2,075 round trips in 2023 and thereafter.
24 Because of the distance to the Hobart Yard, each trip would be approximately 20 miles
25 longer in each direction than under the proposed Project.

26 **7.3.2.3 Alternative 2: Reduced Project**

27 This alternative is identical to the proposed Project except that the activity level for the
28 near-dock railyard would be limited by lease conditions. All physical features of the
29 project would be the same as the proposed Project, including the container handling
30 systems and the off-site improvements to road and trackage. Compared to the proposed
31 Project, the truck trips and rail trips in this alternative would be the same in 2046 as the
32 proposed Project in 2016. The effects of this alternative on environmental quality in
33 neighborhoods, including container storage, truck and rail use of neighborhoods, and
34 property values, would be identical to the proposed Project in 2016, but less in 2046
35 because of the lower level of activity.

36