

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 10-11, 2011

Reference No.: 2.2c.(5)  
Action

From: BIMLA G. RHINEHART  
Executive Director

Subject: **APPROVAL OF PROJECT FOR FUTURE CONSIDERATION OF FUNDING  
FINAL ENVIRONMENTAL IMPACT REPORT FOR THE MIDDLE HARBOR  
REDEVELOPMENT PROJECT (RESOLUTION E-11-60)**

## **ISSUE:**

Should the Commission, as a Responsible Agency, accept the Final Environmental Impact Report (FEIR), Findings of Fact and Statement of Overriding Considerations for the Middle Harbor Redevelopment Project (Project) in Los Angeles County and approve the Pier F Support Yard and Ocean Boulevard Track Realignment Projects for future consideration of funding?

## **RECOMMENDATION:**

Staff recommends that the Commission accept the FEIR, Findings of Fact and Statement of Overriding Considerations for the Middle Harbor Redevelopment Project and approve the Pier F Support Yard and Ocean Boulevard Track Realignments for future consideration of funding.

## **BACKGROUND:**

The City of Long Beach Harbor Department (Port of Long Beach or POLB) is the CEQA lead agency for the Middle Harbor Redevelopment Project. The Middle Harbor Redevelopment Project will rehabilitate or replace deteriorated and obsolete terminal facilities; provide deeper water at berths, basins and channels; create new land; modernize marine terminal facilities; and implement environmental controls, including POLB's Green Port Policy and Clean Air Action Plan (CAAP). The Pier F Support Yard and Ocean Boulevard Track Realignment Projects programmed by the Commission in the Proposition 1B TCIF program are elements of the Middle Harbor Redevelopment Project and, therefore, the scope of these projects are included in the FEIR. The Environmental Impact Statement (EIS)/FEIR, was approved and certified by the Board of Harbor Commissioners on April 13, 2009.

The overall Middle Harbor Redevelopment Project for which the FEIR covers will result in significant unavoidable impacts to air quality, biological resources, ground transportation, and noise.

Specifically, the overall project would result in increased ambient air pollutant concentration during construction; construction and operations producing greenhouse gas emissions that would exceed baseline levels; potential introduction of non-native species into the Harbor that could substantially disrupt local biological communities; increased traffic generated by operation of the project on certain highway locations; and increase ambient noise levels during construction activities. Mitigation measures and/or alternatives to the proposed Middle Harbor Redevelopment Project that would substantially reduce or avoid these significant unavoidable impacts are infeasible.

The POLB adopted the FEIR, Findings of Fact and a Statement of Overriding Considerations for the Middle Harbor Redevelopment Project on April 13, 2009. The POLB found that there were several benefits that outweigh the unavoidable adverse environmental effects of the Middle Harbor Redevelopment Project. These benefits include, but are not limited to, fulfilling the Port's Tideland Trust and Coastal Act obligations to modernize and expand the Port; helping with traffic congestion and reducing truck transit emissions; reducing criteria pollutants from terminal operations; providing an additional 2,961 annual jobs by the year 2030; and allowing the Port to meet its legal mandates to accommodate growing international commerce while reducing Port air emissions, and providing jobs to the local economy. The POLB established a Mitigation Monitoring Program to ensure that the mitigation measures specified for the Middle Harbor Redevelopment Project are implemented.

On June 6, 2011 the POLB provided written confirmation that the preferred alternative set forth in the final environmental document is consistent with the Pier F Support Yard Project and Ocean Boulevard Track Realignment Project programmed by the Commission in the TCIF program. The POLB also provided written confirmation of its commitment to all of the mitigation measures stipulated in the FEIR and Mitigation Monitoring Program.

The Pier F Support Yard project is estimated to cost \$35,450,000 and is funded with TCIF (\$8,745,000) and Local (\$26,705,000) funds. The Ocean Boulevard Track Realignment project is estimated to cost \$67,270,000 and is funded with TCIF (\$27,000,000) and Local (\$40,270,000) funds. Construction is estimated to begin in fiscal year 2012/13.

#### Attachment

- Resolution E-11-60
- Findings of Fact & Statement of Overriding Considerations
- Project Location

# CALIFORNIA TRANSPORTATION COMMISSION

## Resolution for Future Consideration of Funding 07 – Los Angeles County Resolution E-11-60

- 1.1 **WHEREAS**, the City of Long Beach Harbor Department (Port of Long Beach or POLB) has completed a Final Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA) and the CEQA Guidelines for the following project:
  - Middle Harbor Redevelopment Project: Pier F Support Yard and Ocean Boulevard Track Realignment Projects
- 1.2 **WHEREAS**, the POLB has certified that the Final Environmental Impact Report has been completed pursuant to CEQA and the State CEQA Guidelines for its implementation; and
- 1.3 **WHEREAS**, the project will redevelop a marine terminal by consolidating two existing terminals by constructing 54.6 net acres of landfill, a concrete wharf, buildings, a substation, and expanding an on-dock intermodal rail yard; and
- 1.4 **WHEREAS**, the California Transportation Commission, as a Responsible Agency, has considered the information contained in the Final Environmental Impact Report; and
- 1.5 **WHEREAS**, Findings of Fact made pursuant to CEQA guidelines indicate that specific unavoidable significant impacts related to air quality, biological resources, noise, and ground transportation make it infeasible to avoid or fully mitigate to a less than significant level the effects associated with the project; and
- 1.6 **WHEREAS**, the POLB adopted a Statement of Overriding Considerations for the project; and
- 1.7 **WHEREAS**, the POLB adopted a Mitigation Monitoring Program for the project; and
- 1.8 **WHEREAS**, the above significant effects are acceptable when balanced against the facts as set forth in the Statement of Overriding Considerations.
- 2.1 **NOW, THEREFORE, BE IT RESOLVED** that the California Transportation Commission does hereby accept the Final Environmental Impact Report, Findings of Fact and Statement of Overriding Considerations and approve the above referenced project to allow for future consideration of funding.

## 5.0 STATEMENT OF OVERRIDING CONSIDERATIONS

CEQA requires a public agency to balance the benefits of a proposed project against its unavoidable, adverse environmental impacts in determining whether to approve the project.

Section 15093 of the State CEQA Guidelines provides the following:

- (a) *CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.”*
- (b) *When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the Final Environmental Impact Report (Final EIR) but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the Final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.*
- (c) *If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, finding required pursuant to Section 15091.*

## 5.1 PROJECT SIGNIFICANT IMPACTS

The proposed Project would result in significant unavoidable impacts related to air quality, biota and habitats, ground transportation, and noise.

### 5.1.1 Air Quality

During a peak day of activity, Project construction would produce levels of VOC, CO, NO<sub>x</sub>, PM<sub>10</sub>, and PM<sub>2.5</sub> emissions that exceed SCAQMD daily emission thresholds. In addition, for a peak day of Project construction, emissions from fugitive dust and onsite construction equipment and haul trucks would result in maximum ambient offsite concentrations of 24-hour PM<sub>10</sub> that would exceed the SCAQMD significance threshold. Even with application of all feasible mitigations, these peak daily construction emissions and 24-hour PM<sub>10</sub> concentrations would remain in excess of SCAQMD thresholds, and would represent Project-specific and cumulative significant air quality impacts.

Proposed Project operational emissions would result in maximum ambient offsite concentrations of 1-hour and annual NO<sub>2</sub> that would exceed the SCAQMD significance thresholds. This impact would represent a Project-specific and a significant cumulative impact.

The mitigated Project would increase chronic non-cancer effects on occupational receptors in the Project region. Although not significant for the Project individually, this increase would represent a cumulatively considerable and unavoidable contribution of airborne non-cancer effects to occupational receptors. These increased non-cancer effects could include asthma, bronchitis, reduced lung function, and increased mortality and morbidity.

An individual project does not generate by itself enough GHG emissions to significantly influence global climate change (AEP 2007). Thus, the issue of global climate change is a cumulative impact, such that an appreciable impact on global climate change would only occur when GHG emissions from a project combine with GHG emissions from other man-made activities on a global scale. Nevertheless, for the purposes of this EIS/EIR, the Port has chosen to assess GHG emissions as a project-level impact, as project GHG emissions would incrementally contribute to global effects. Construction and operation of the proposed Project would generate GHG emissions in each Project construction phase/stage and future year of operation. The Project GHG significance criterion states that any increase in GHG emissions is significant; therefore, these increases would produce a significant impact.

### 5.1.2 Biota and Habitats

The potential for a Project-related support vessel collision with a blue whale while in transit within the Long Beach Breakwater and Outer Harbor would be unlikely due to the infrequent presence of these mammals. Furthermore, all vessels would be required to slow to 12 knots when within 40 nm of Point Fermin as part of the VSRP (**Mitigation Measure AQ-4**). Normal swimming speeds of blue whales are 22 km/hr, which is approximately 10 knots; however, blue whales can swim up to 48 km/hr when alarmed (Wilson and Ruff 1999). Therefore, it is very unlikely that Project-related vessels traveling at 12 knots would increase the potential for whale strikes. No feasible measures are currently available to reduce whale strikes in the open ocean at greater than 40 nm from the harbor. Although vessel strikes to blue whales would be unlikely to occur, any that did occur would make a cumulatively considerable contribution to significant and unavoidable cumulative impacts associated with vessel strikes to that species. Therefore, as provided in the findings above for Cumulative Impact BIO-4, the small increase in Project-related vessel traffic in the harbor (3.4 percent) would add to that cumulative potential, resulting in a significant cumulative impact.

The amount of ballast water discharged into the harbor and, thus, the potential for introduction of invasive exotic species could increase because more and larger container ships would use the Port as a result of related and cumulative projects. In addition, it is also possible that exotic species could enter harbor waters on the ship hulls, anchors, and anchor chains. These vessels would come primarily from outside the Economic Exclusion Zone (EEZ) and would be subject to regulations to minimize the introduction of non-native species in ballast water as described in Draft EIS/EIR Section 3.4.3. Most ships also utilize bottom paint that is resistant to accumulation of fouling organisms. In addition, container ships coming into the Port loaded would be taking on local water while unloading and discharging this water when reloading. This would also diminish the opportunity for discharge of non-native species. Thus, ballast water discharges during cargo transfers in the Port would be unlikely to contain non-native species but is still a possibility, as is the potential introduction of non-native species on ship hulls. No feasible mitigation is currently available to totally prevent introduction of invasive species via ballast water or vessel hulls, due to the lack of a proven technology. New technologies are being explored, and if methods become available in the future, they would be implemented as required at that time through federal and state regulations. Therefore, as provided in the findings above for Cumulative Impact BIO-5, the introduction of invasive species in ballast water or on the hulls of ships are significant, unavoidable impacts.

### 5.1.3 Ground Transportation

Additional traffic generated by Project construction and operational activities would have significant impacts on certain highway locations in the Project area. The proposed Project's construction traffic would have short-term significant impacts on the following highway segments up to the horizon year 2020:

- I-405 n/o I-710, both Directions (starting 2010);
- I-405 s/o I-710, both directions (starting 2010);
- I-710 between Willow Street and Pacific Coast Highway, both directions (starting 2010);
- SR-91 e/o I-710, both directions (starting 2010); and
- SR-91 w/o I-710, both directions (starting 2015).

The proposed Project would have significant impacts on the following study highway segments during operations:

- I-405 Freeway n/o I-710 Freeway, both Directions (starting 2010, max fair share of one percent in 2020);
- I-405 Freeway s/o I-710 Freeway, both directions (starting 2010, max fair of 5 percent in 2010);
- I-710 Freeway between Willow Street and Pacific Coast Highway, both directions (starting 2010, max fair share of four percent in 2020);
- I-110 Freeway n/o C-Street, northbound (2030, max fair share of 1.5 percent in 2030);

- SR-91 Freeway e/o I-710 Freeway, both directions (starting 2010, max fair share of four percent in 2030); and
- SR-91 Freeway w/o I-710 Freeway, both directions (starting 2015, max fair share of 3.5 percent in 2030).

When considered cumulatively, the Project would have significant impacts at certain study highway segments. Additional traffic generated by the Project to the cumulative background traffic conditions would deteriorate the existing LOS at certain highway locations in the study area.

The Port does not own, control, or maintain any of the impacted highway segments. These segments fall under the jurisdiction of Caltrans. Therefore, the Port does not have authority to unilaterally implement any mitigation measures on the highway segments. Accordingly, the Project's contribution to cumulative impacts during construction and operation would remain significant and unavoidable, even with implementation of **Mitigation Measure TRANS-2.1**, requiring the Project's fair-share contribution to Caltrans highway improvement programs. If Caltrans does not adopt a fair share based program to collect funds for actual mitigation that Caltrans commits itself to implement, or obtain the balance of funding needed to improve the impacted study highway segments in a manner that will improve the segments level of operation, the Project's contribution to regional cumulative impacts on these freeway segments would remain significant and unavoidable. Specific legal, economical, and technological considerations make additional mitigation measures infeasible. Therefore, as provided in the findings above for Impact TRANS-1.1, Impact TRANS-2.1, and Cumulative Impact TRANS-2, impacts on certain highway segments in the Project area would be significant and unavoidable.

#### 5.1.4 Noise

Project construction activities would increase ambient noise levels by three dBA at the West Coast Long Beach Hotel sensitive receptor site (Site 1), and would exceed LBMC maximum noise levels at Site 1 and the Long Beach Hilton Hotel sensitive receiver site (Site 2).

The minimum ambient daytime hourly Leq noise level recorded at the closest sensitive receptor site (i.e., Site 1) was 61 dBA. During Project pile driving activities, calculated hourly Leq noise levels at Site 1 would range between 64 – 66 dBA, which would exceed a three dB increase. The longest scheduled period of pile-driving would occur for 12 months in Construction Phase 1/Stage 1 during construction of the new Berth E24 extension and redevelopment of the existing berth at Berth E24. Project construction activities would cause ambient noise levels to be increased by more than three dBA at nearby sensitive receptors (i.e., Site 1), resulting in significant short-term impacts.

Receiver Site 1 is in the City of Long Beach General Plan LUD Three, for which the maximum noise level allowed by the LBMC is 65 dBA (Leq, one-hour). However, many of the construction activities would invoke the five dBA penalty for impulsive/tonal noise character, which would reduce the maximum allowable noise level in this location to 60 dBA. Calculated hourly average construction noise levels would intermittently exceed 60 dBA at receiver Site 1 until the end of Construction Phase 2. Receiver Site 2 is in LUD One. Taking existing ambient noise levels into account, as well as the impulsive/tonal noise penalty, the maximum daytime noise level allowed in this location under the LBMC would be 65 dBA (Leq, one-hour). Calculated hourly average construction noise levels at Site 2 would exceed 65 dBA during the noisiest periods of construction. Project construction activities would cause ambient noise levels to exceed LBMC maximum noise levels at Sites 1 and 2; therefore, significant short-term impacts would occur.

In addition to the standard construction noise controls described in Final EIS/EIR Section 1.7.3, **Mitigation Measures NOI-1.1a and NOI-1.1b** would apply to this impact. Due to the difficulty of effectively mitigating substantial noise-generating activities, adherence to standard controls and construction of temporary noise barriers would not be sufficient to reduce projected increases in ambient noise levels to the point where it would no longer cause a substantial increase. Therefore, as provided in the findings above for Impact NOI-1.1, Impact NOI-1.2, and Cumulative Construction Noise Impact, noise impacts during Project construction would be significant and unavoidable.

To help address the significant cumulative construction noise impacts of the Project, the Port will require this Project to fund the Schools and Related Sites Program that was adopted by the Board of Harbor Commission-

ers on March 23, 2009, as required by **Mitigation Measure AQ-29**. The funding will be used for eligible noise mitigation projects as specified in the Schools and Related Sites Program Guidelines. The guidelines: (1) establish eligibility criteria for potential applicants based on facility type and proximity to the San Pedro Bay Ports; (2) provide metrics that will be used to assess a proposed project's noise impact mitigation potential based on established regulatory mitigation programs and recent scientific information on noise impacts, and (3) explains how the Port of Long Beach Harbor Commissioners will choose among eligible proposals and approve funding.

## 5.2 OVERRIDING CONSIDERATIONS

The proposed Project offers numerous benefits that outweigh the unavoidable adverse environmental effects of the Project. The Board recognizes that significant and unavoidable impacts will result from implementation of the Project, as discussed above. Having (1) adopted all feasible mitigation measures, (2) recognized all significant, unavoidable impacts, and (3) balanced the benefits of the Project against the Project's significant and unavoidable impacts, the Board finds that there are specific overriding economic, legal, social, technological, or other benefits of the proposed Project that outweigh those impacts and provide sufficient reasons for approving the proposed Project. These overriding considerations justify adoption of the Project and certification of the Final EIS/EIR. Those reasons are as follows:

**Fulfills Port legal mandates and objectives.** The proposed Project would fulfill the Port's Tidelands Trust to promote and develop commerce, navigation and fisheries, and other uses of statewide interest and benefit including industrial, and transportation uses. The Coastal Act identifies the Port as an essential element of the national maritime industry and obligates the Port to modernize and construct necessary facilities to accommodate deep-draft vessels and the demands of foreign and domestic waterborne commerce in order to preclude the necessity for developing new ports elsewhere in the state. Furthermore, the Coastal Act provides that the Port should give highest priority to the use of existing land space within harbors for Port purposes, including, but not limited to navigational facilities, shipping industries and necessary ancillary and access facilities. The proposed Project meets these requirements by modernizing the channels, wharves and backlands at Middle Harbor to accommodate anticipated growth in water dependent maritime cargo. The Project also modernizes existing backlands by providing facilitated support and access facilities such as truck gates, road improvements and on-dock rail to allow for the effective import and export of maritime cargo.

**Diverts containers from truck to intermodal railyard.** The existing Middle Harbor container terminal has limited rail capability and the existing Pier F railyard is insufficient to accommodate regular service of modern intermodal trains. A portion of the current and future cargo would be diverted from trucks to the expanded Pier F intermodal railyard, avoiding the drayage to near-dock railyards or downtown facilities.

The Project includes an intermodal railyard to promote the direct transfer of cargo between ship and rail. The Project terminal operator shall replace all diesel-powered RTGs with electric-powered RMGs, as soon as feasible, but no later than the completion of construction in 2020. **Mitigation Measure AQ-9** requires that the expanded Pier F intermodal railyard incorporate the cleanest locomotive technologies into its operations. Technologies that reduce fuel consumption or use alternative fuels would reduce criteria pollutant emissions. These include diesel-electric hybrids, multiple engine generator sets, use of alternative fuels, and idling shut-off devices. Because some of these systems are not yet available, but are expected to be available within the next few years, this measure has not been quantified. However, implementation of this measure would reduce the Project's criteria pollutant emissions by less than 0.1 percent.

The proposed Pier F intermodal railyard is beneficial because it lowers the number of trucks that would otherwise be required to transport discretionary cargo to near-dock and downtown railyards. This will reduce roadway congestion in the Port vicinity and the emissions associated with these truck operations. Utilization of electric RMGs reduces emissions of criteria pollutants and GHGs.

**Includes energy efficiency in building/construction/operation.** The proposed Project includes construction of a Leadership in Energy and Environmental Design (LEED) certified "Gold" main terminal building and other efficiency measures including: use of compact fluorescent light bulbs, conducting third-party energy audits, use of solar panels on the main terminal building, use of carport-mounted PV solar panels over the em-

ployee and visitor parking areas, implementing recycling and planting trees around the main building and on Port-controlled lands adjacent to the roads into the Middle Harbor terminal.

**Implements the San Pedro Bay Clean Air Action Plan (CAAP).** In developing the San Pedro Bay Ports CAAP, the Ports established a series of principles and goals designed to reduce air emissions and related health impacts while allowing Ports development to continue. The CAAP committed the Ports, with the assistance of their agency partners (the technical working group or TWG, comprised of representatives from ARB, SCAQMD, and the USEPA) to establish San Pedro Bay Standards to define targets for reduction of Ports-related air impacts, specifically air quality and health risk impacts. The Port has worked to ensure that the Project includes all applicable CAAP measures, existing regulations, and, in some areas, exceeds compliance with applicable CAAP measures. In fact, implementation of the Project provides a mechanism for implementing new control measures identified through TAP and that are implemented in updates to the CAAP. This would be accomplished through the lease reopener mechanism included in the Project.

**Reduces criteria pollutants from terminal operations.** Emission reductions for unmitigated scenarios that would occur due to CAAP measures that are part of the Project lease agreement are attributed to the Project (Final EIS/EIR Table 3.2-11). All feasible mitigation measures have been included in the Project and those measures are consistent with or go beyond the CAAP requirements applicable to each source type. A number of mitigation measure would be implemented if the project is approved that will reduce current emissions from existing terminal operations. They include:

**Mitigation Measures AQ-4 (Expanded VSRP),** which expands VSP of 12 knots from 40 nm, i.e., from Point Fermin to the Precautionary Area;

**AQ-5 (Shore-to-Ship Power [“Cold Ironing”]),** requiring 100 percent of OGV to “cold iron” or use alternative technology that can achieve 90% reduction in emissions by 2014;

**AQ-6 (Low-sulfur Fuels in OGV),** which requires all OGV to use 0.2 percent or lower sulfur MGO fuel in vessel auxiliary and main engines at berth and out to a distance of 40 nm from Point Fermin, or implement equivalent emission reductions (equal to CAAP measures OGV3 and OGV4);

**AQ-7 (Container Handling Equipment),** which implements aggressive control measure over a set schedule (equates to CAAP measure CHE1);

**AQ-7a (High Efficiency Rail Mounted Gantry (RMG) Cranes),** which requires the terminal operator to replace all diesel-powered RTGs with electric-powered RMGs, as soon as feasible, but no later than the completion of construction in 2020;

**AQ-8 (Heavy-Duty Trucks),** a measure that goes beyond the ARB’s requirements for reducing truck emissions, similar to CAAP measure HDV1 (CTP);

**AQ-9 (Clean Railyard Standards),** which requires the expanded Pier F intermodal railyard to incorporate the cleanest locomotive technologies into its operations;

**AQ-10 (Truck Idling Reduction Measures),** which requires the container terminal operator to minimize on-terminal truck idling and emissions. Additional design measures proposed in this mitigation measure would further reduce on-terminal truck activities and associated criteria pollutant emissions;

**AQ-11 (Slide Valves on OGV Main Engines),** which requires OGV that call at the Project container terminal to have slide fuel valves installed on their main engines, or implement an equivalent emission reduction technology; and

**AQ-25 (Periodic Technology Review),** which requires the tenant to periodically review new air quality technological advancements, and if any of the technologies is determined to be feasible in terms of cost, technical and operational feasibility, to work with the Port to implement such technology.

Many of these mitigation measures would not be feasible or could not be enforced if the Project is not implemented as the Port would not have a mechanism to enforce them. Final EIS/FEIR Section 3.2.4 (MMRP) identifies enforcement mechanisms for each mitigation measure. All of the identified measures will be implemented, regardless of changes or delays in the implementation of the CAAP. It is expected that a future CAAP measure for a given source category would be at least as stringent as the current measure, and therefore implementation of future CAAP measures would result in higher emission reductions. The Project lease agreement would include a condition requiring that every 5 years the Project lease would be re-opened to consider implementation of new feasible mitigations in accordance with **Mitigation Measure AQ-25**.

The Port has worked to ensure that the Project is consistent with the draft San Pedro Bay Standards as it includes all applicable CAAP measures, existing regulations, and, in some areas, exceeds compliance with applicable CAAP measures.

**Reduces estimated health risk from terminal operation.**

The proposed Project would result in a reduction in cancer and acute health risks for all receptor types. While the proposed Project would result in an increase in non-cancer chronic health effects at the maximum occupational receptor location, the increase would be less than significant. Additionally, all other receptors in the Project region would have chronic non-cancer impacts that are less than those identified at the maximum occupational receptor location. Implementation of the proposed operational mitigation measures described above would result in significant reductions in diesel particulate matter (DPM) emissions from current CEQA baseline conditions and a corresponding reduction in health risks. Therefore, the Board finds that for the reasons described in Final EIS/EIR Section 3.2.2.3, this impact will be less than significant.

**Provides new jobs during the life of the project.** Net changes in employment attributable to terminal operations under the proposed Project could reach 2,961 jobs annually by the year 2030 (refer to Final EIS/EIR Section 1.6.3.1 and Table 1.6-1 for a comparison of alternatives). Absent construction contract and lease approvals associated with this Project, the Project would not be implemented, and therefore there would be no additional jobs or wages.

**Efficient Accommodation of Increased Throughput.** In accordance with Project objectives, the proposed Project provides for improved efficiencies in the accommodation of containerized cargo in the following ways: improved gate facilities to facilitate truck ingress and egress from the facility; expanded Pier F intermodal railyard; new electric container cranes to allow for efficient unloading of the larger container ships; and more berth capacity and deeper berths to maximize the use of the deep channel of the Port by larger container ships. It would not be possible to achieve these efficiencies or to reach maximum terminal capacity absent implementation of these improvements through Project approval.

The Port finds that there are specific considerations associated with the proposed Project that serve to override and outweigh the Project's significant environmental impacts. The Project will allow the Port to meet its legal mandates to accommodate growing international commerce, while reducing Port air emissions, and provide jobs to the local economy. The Board hereby finds that the benefits of the proposed project outweigh the significant and unavoidable environmental impacts of the Project, which are therefore considered acceptable.

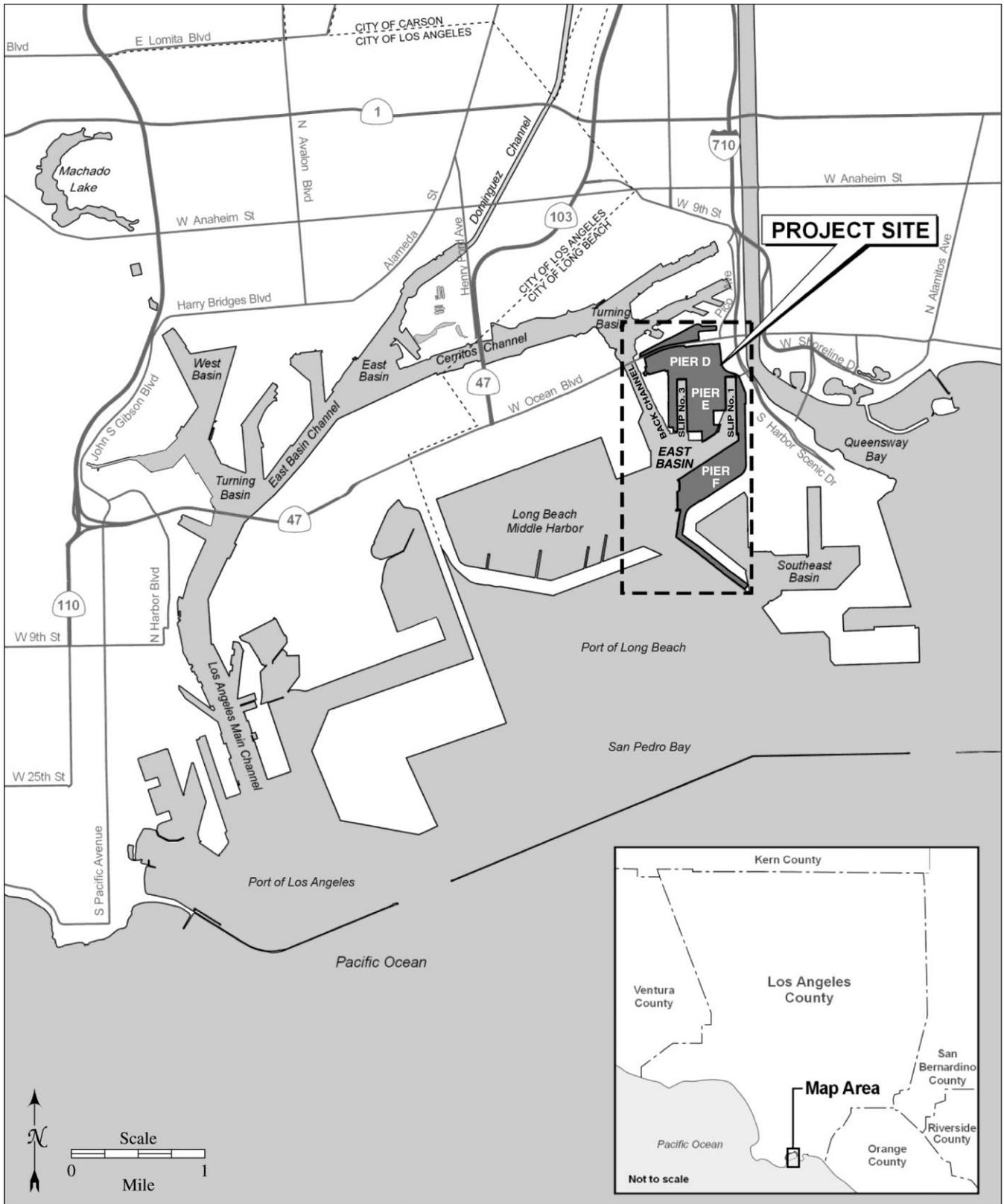


Figure ES.2-1. Project Vicinity Map