

AGENDA DESCRIPTION:

Consideration and possible action to review the current status of Border Issues

RECOMMENDED COUNCIL ACTION:

- (1) Receive and file the second biannual report on the status of Border Issues for 2018.

FISCAL IMPACT: None

Amount Budgeted:	N/A
Additional Appropriation:	N/A
Account Number(s):	N/A

ORIGINATED BY: Kit Fox, AICP, Senior Administrative Analyst 

REVIEWED BY: Gabriella Yap, Deputy City Manager 

APPROVED BY: Doug Willmore, City Manager 

ATTACHED SUPPORTING DOCUMENTS:

- A. Notice, fact sheet and City comments on proposed lease at Defense Fuel Support Point San Pedro (page A-1)
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EXECUTIVE SUMMARY:

This biannual report includes:

- An update on the CalWater pipeline project in Rolling Hills Estates, the unincorporated *Westfield* community and Rancho Palos Verdes;
- An update on the proposed 248-unit Butcher Solana apartment project at Hawthorne Boulevard and Via Valmonte in Torrance; and,
- A report on the proposed leasing of the Defense Fuel Support Point San Pedro for commercial fueling operations.

BACKGROUND AND DISCUSSION:

The following is the second biannual report to the City Council on various “Border Issues” potentially affecting the residents of Rancho Palos Verdes for 2018. The complete text of the current status report is available for review on the City’s website at:

<http://www.rpvca.gov/781/Border-Issues-Status-Report>

Please note that, with the approval of changes to City Council Policy No. 34, the next Border Issues Status Report is expected to appear on a City Council agenda in June 2019.

Current Border Issues

Palos Verdes Peninsula Water Reliability Project, Rolling Hills Estates/Los Angeles County/Rancho Palos Verdes

Following community open houses on CalWater's Palos Verdes Peninsula Water Reliability Project (PVPWRP) in May and June of 2018 in order to educate Peninsula residents about the benefits and construction impacts of this project, the 1-month closure of the eastbound lane of Palos Verdes Dr. N. between the Dapplegray Elementary School driveway and Dapplegray Ln. started on July 9, 2018. Eastbound through traffic was detoured at Rolling Hills Rd. Construction work within the closure area was completed by the time classes resumed at Dapplegray Elementary School on August 22, 2018.

The next segment of pipeline work in Palos Verdes Dr. N. has been between Dapplegray Ln. and Montecillo Ln., which has resulted in periodic lane closures, turning restrictions at Palos Verdes Dr. E., and some overnight construction activity. Outside of the public right-of-way of Palos Verdes Dr. N., pipeline construction has been proceeding in nearby equestrian trail easements in Rolling Hills Estates and along the southerly boundary of the South Coast Botanic Garden.

As of early December 2018, construction for the new pump station on Crenshaw Blvd. near Silver Spur Rd. has begun and is expected to continue through the end of 2019. Motorists and Rancho Palos Verdes residents living adjacent to the pump station site will start to see crews clearing the area around the location as part of preparatory site work.

Staff will continue to monitor this issue in future Border Issues Status Reports. For additional information about the Palos Verdes Peninsula Water Reliability Project, visit <http://www.pvpwaterproject.com> or call (310) 257-1400.

Butcher Solana Residential Development Project (Torrance)

There has been no change in the status of this proposed 248-unit apartment project at Hawthorne Blvd. and Via Valmonte reported by the City of Torrance since the project's Environmental Impact Report (EIR) scoping period ended on September 18, 2017. The draft EIR has not yet been released for public review and comment.

Staff will continue to monitor this issue in future Border Issues Status Reports. Additional information about the project is available on the City of Torrance's website at <https://www.torranceca.gov/our-city/community-development/planning/butcher-solana>.

New Border Issues

Defense Fuel Support Point San Pedro (Los Angeles (San Pedro))

On October 15, 2018, Staff received notice from the Navy that it is beginning the environmental review process to lease a portion of the Defense Fuel Support Point (DFSP) San Pedro for commercial fueling operations (Attachment A). The Navy sought comments on the scope of the proposed Environmental Assessment (EA) for a 35-day period from October 10, 2018, through November 13, 2018.

On October 17, 2018, Staff attended a special meeting of the Northwest San Pedro Neighborhood Council's (NWSPNC) Planning and Land Use Committee at which this proposal was discussed. The Navy has prepared a fact sheet for the proposal but the details remain rather vague. The lease area could include both the main terminal on Gaffey St. and the marine terminal at Pier 12 in the Port of Long Beach, as well as existing pipelines connecting to these facilities. The type(s) of fuel to be stored or transshipped is unknown at this time. It is possible that the three (3) remaining aboveground fuel tanks at DFSP San Pedro—located off Western Ave. just south of Palos Verdes Dr. N.—might be put back into service.

On November 13, 2018, Staff sent the attached comments on the scope of the draft EA to the Navy. The Navy reportedly expects to release the draft EA for public review and comment in Spring 2019. Staff has asked for the standard 15-day public comment period to be expanded to forty-five (45) days. Staff will continue to monitor this issue in future Border Issues Status Reports.



DEPARTMENT OF THE NAVY
NAVAL WEAPONS STATION SEAL BEACH
800 SEAL BEACH BOULEVARD
SEAL BEACH CA 90740-5000

RECEIVED

OCT 15 2018

IN REPLY REFER TO

5090

Ser N45/0136

9 OCT 2018

Dear Stakeholder:

In accordance with the National Environmental Policy Act of 1969 (NEPA), the U.S. Navy is initiating the preparation of an Environmental Assessment (EA) to analyze the potential impacts of its proposal to renew fueling operations for commercial and military purposes at Defense Fuel Support Point San Pedro.

The Navy is requesting public input on the scope of analysis and environmental resource areas to be considered in the EA as the Navy initiates the environmental analysis.

Background

Defense Fuel Support Point San Pedro is comprised of two Special Areas, the San Pedro Fuel Depot and Long Beach Fuel Complex, assigned to Naval Weapons Station Seal Beach. Operation is currently the responsibility of the Defense Logistics Agency. As of May 2014, the Defense Logistics Agency placed all underground storage tanks at Defense Fuel Support Point San Pedro in a temporary closure, or non-active status, so that the complex could be re-opened or permanently closed depending on future mission requirements.

An EA was completed jointly by the Navy and the Defense Logistics Agency in 2016 to analyze impacts that could potentially result from the complete or partial permanent closure of Defense Fuel Support Point San Pedro as a Defense Logistics Agency-run facility. A Finding of No Significant Impact was signed in February 2016 in conjunction with the decision to move forward with a partial closure of the facility, and the Defense Logistics Agency began the process of permanently closing all underground storage tanks on the Main Terminal site. At the same time, the Navy began the process of planning for the long-term utilization of the site.

The Navy determined, based on an evaluation of the facilities and of regulatory, resource, and development considerations at the site, that potential options existed to allow for a lessee to utilize Defense Fuel Support Point San Pedro for commercial fueling operations under an outlease, while establishing a separate fuel purchase agreement with a private/commercial entity to support the Navy's operational fueling requirements at the site.

The Navy invites you to learn about the Proposed Action and provide comments on the scope of analysis and environmental resources to be considered in development of the EA. For more information on the scoping process, please see the "Scoping Process" section of this letter.

Proposed Action

The Navy proposes to enter into an outlease, pursuant to 10 U.S.C. § 2667, and assign interests in the Navy-owned fuel pipelines, to allow for renewed fueling operations for commercial purposes at Defense Fuel Support Point San Pedro, with provision for fuel servicing

of military ships on a periodic basis and via separate fuel purchase agreement. Redevelopment of facilities and infrastructure would likely be required to accommodate continued use of the site.

Purpose and Need

The purpose of the Proposed Action is to obtain infrastructure upgrades to and reutilization of the Defense Fuel Support Point facility for commercial fueling use, with allowance for periodic fueling of Navy ships in support of 10 U.S.C. 5062.

The need for the Proposed Action is to ensure full use and maintenance of the asset through the commercial use of facilities and infrastructure at the site while maintaining capacity to meet periodic Navy fueling needs.

Environmental Assessment

The Navy will analyze the potential environmental impacts of the Proposed Action and alternatives pertaining to renewing fueling operations and obtaining infrastructure upgrades at Defense Fuel Support Point San Pedro.

The environmental resource areas to be analyzed in the EA will include air quality; water resources; geological resources; biological resources; land use; visual resources; noise; infrastructure; transportation; public health and safety; hazardous materials and waste; socioeconomics; and environmental justice. The public's input in identifying other specific issues and resource areas that should be analyzed in the EA is important to the Navy and the NEPA process.

Scoping Process

A 35-day public scoping comment period will be open from Wednesday, Oct. 10, 2018, through Tuesday, Nov. 13, 2018.

The Navy requests and welcomes public comments. Input received from the public will be used to help identify issues and resource areas for analysis in the EA. Comments may be submitted by email to nwssbpao@navy.mil or via postal mail to:

**Naval Facilities Engineering Command Southwest
Attention: Code EV25.TB
937 N. Harbor Drive
Building 1, 3rd Floor (Environmental)
San Diego, CA 92132**

Comments must be postmarked by Tuesday, Nov. 13, 2018. All comments submitted by the due date will be considered in preparation of the Draft EA.

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For more information, please visit the project website at <https://www.cnmc.navy.mil/SanPedroEA> or contact Naval Weapons Station Seal Beach Public Affairs Officer Mr. Gregg Smith at 562-626-7215.

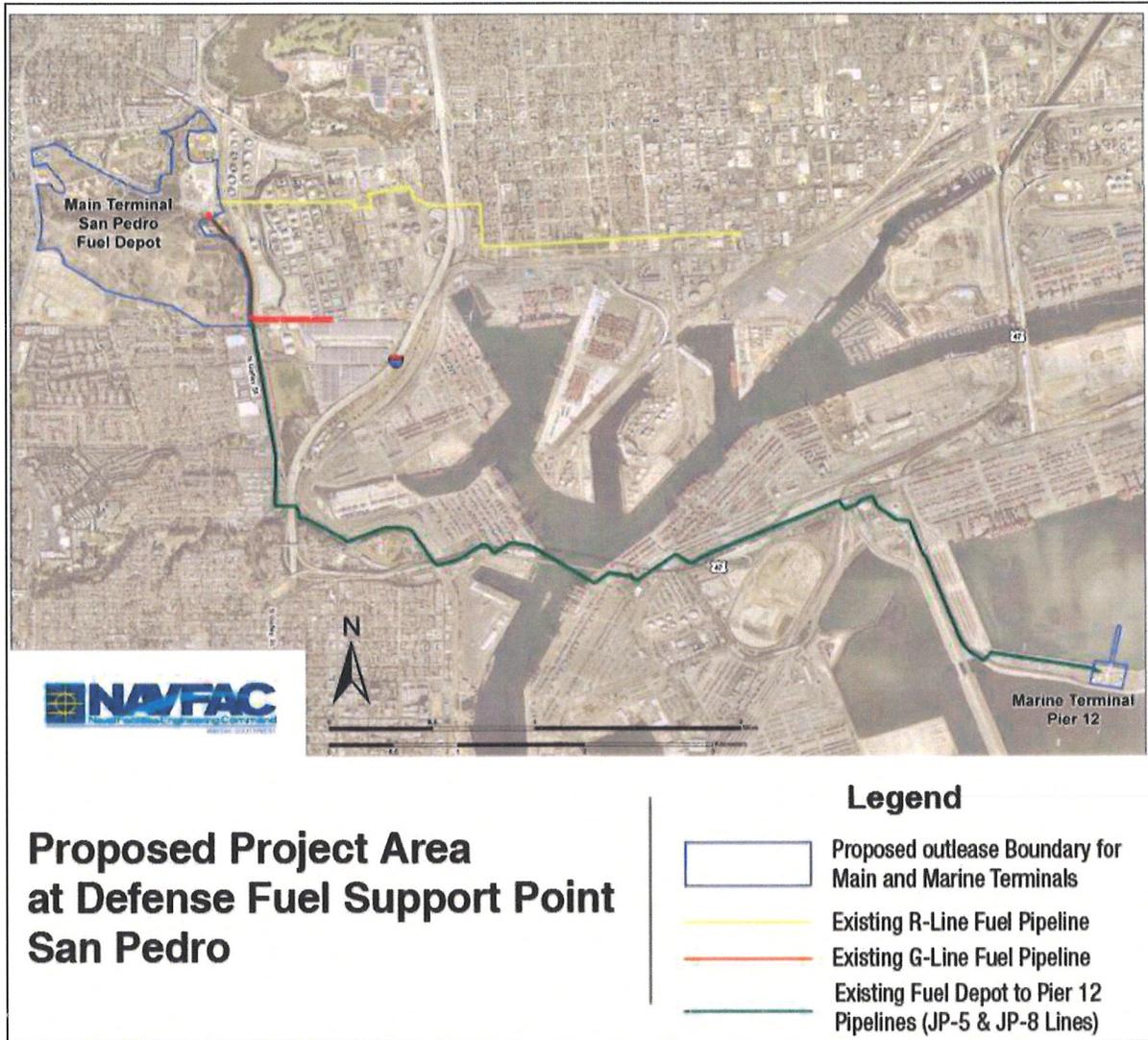
Sincerely,



N. J. DAHLKE
Captain, U. S. Navy
Commanding Officer

Enclosure: 1. Project Location Map

Enclosure 1: Project Location Map



Enclosure (1)

Environmental Assessment for Defense Fuel Support Point San Pedro



In accordance with the National Environmental Policy Act of 1969 (NEPA), the U.S. Navy is beginning the preparation of an Environmental Assessment to analyze the potential impacts of its proposal to renew fueling operations for commercial and military purposes at Defense Fuel Support Point (DFSP) San Pedro.

The Navy is requesting public input on the scope of analysis and environmental resource areas to be considered in the Environmental Assessment as the Navy initiates the environmental analysis. The Navy is requesting public input at the earliest stage of the NEPA process to ensure that community concerns are considered and appropriately addressed during development of the Environmental Assessment. This fact sheet describes the Navy's Proposed Action and how the public can be involved in the environmental review process.

Background

DFSP San Pedro is assigned to Naval Weapons Station Seal Beach and is comprised of two Special Areas: (1) San Pedro Fuel Depot (Main Terminal) and (2) Long Beach Fuel Complex (Marine Terminal) (see Figure 1 and 2). Operation of DFSP San Pedro is currently the responsibility of the Defense Logistics Agency (DLA). DLA has been a tenant to the Navy at DFSP San Pedro since 1980.

As of May 2014, DLA placed all underground storage tanks at DFSP San Pedro in a temporary closure (or non-active) status, so that the complex could be re-opened or permanently closed depending on future mission requirements. An Environmental Assessment was completed jointly by the Navy and DLA in 2016 to analyze impacts that could potentially result from the complete or partial permanent closure of DFSP San Pedro as a

DLA-run facility. A Finding of No Significant Impact (FONSI) was signed in February 2016 in conjunction with the decision to move forward with a partial closure of the facility.

DLA subsequently began the process of permanently closing all underground storage tanks on the Main Terminal site. At the same time, the Navy began the process of planning for the long-term utilization of the site. The Navy determined, based on an evaluation of the facilities and of regulatory, resource, and development considerations at the site, that potential options existed to allow for a lessee to utilize DFSP San Pedro for commercial fueling operations under an outlease, while establishing a separate fuel purchase agreement with a private/commercial entity to support the Navy's operational fueling requirements at the site.



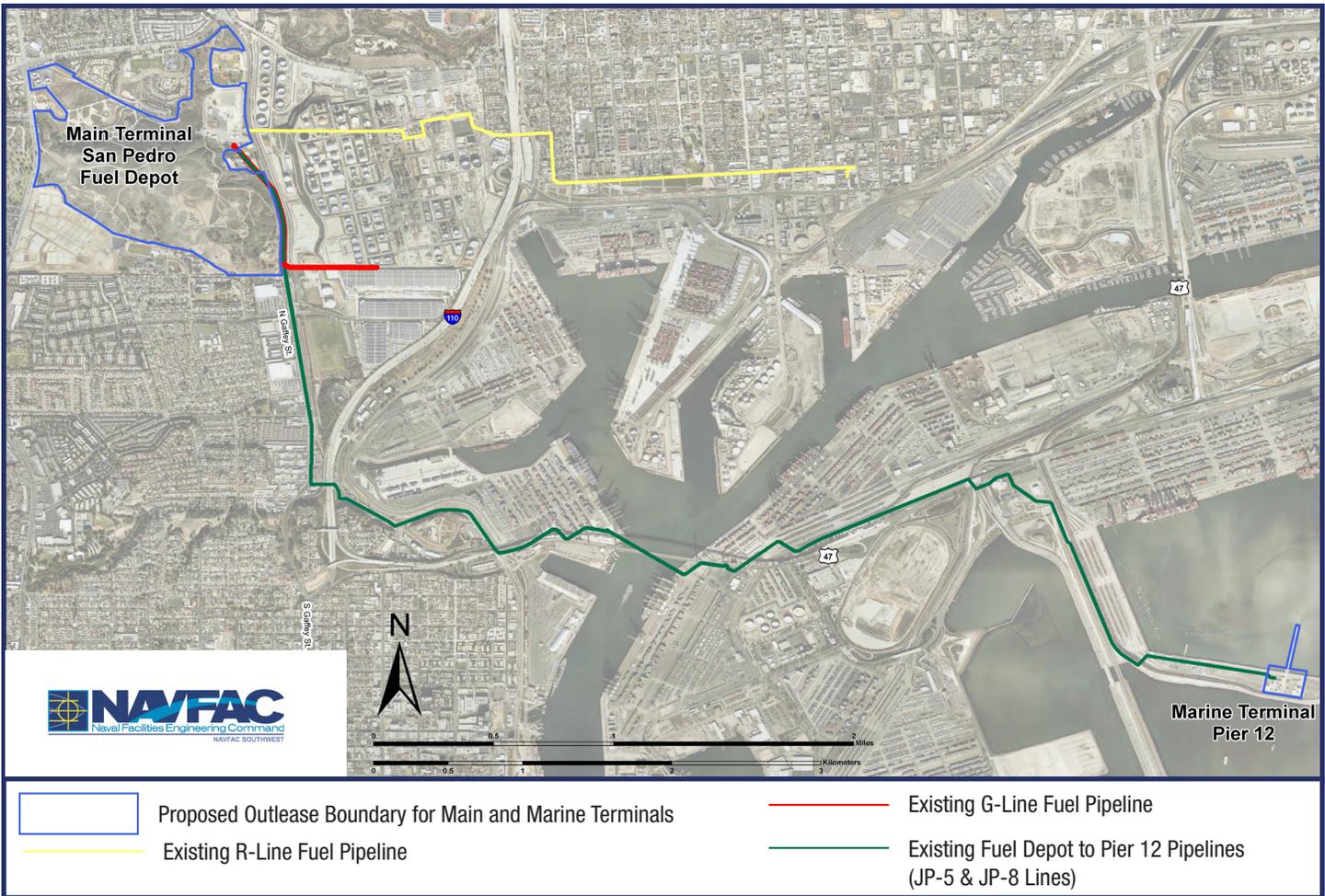


Figure 1 and 2 Project Location Map: The Main Terminal is primarily located in the City of Los Angeles, and the Marine Terminal is located within the Port of Long Beach, adjacent to the Port of Los Angeles. The area at DFSP San Pedro proposed to be outleased consists of approximately 311 acres of the Main Terminal, the approximately 11.06-acre Marine Terminal, and an offsite network of pipelines totaling approximately 14 miles.

About the Proposed Action

The Navy proposes to enter into an outlease, pursuant to 10 U.S.C. § 2667, and assign interests in the Navy-owned fuel pipelines, to allow for renewed fueling operations for commercial purposes at DFSP San Pedro, with provision for fuel servicing of military ships on a periodic basis and via separate fuel purchase agreement. Outlease refers to the leasing of military-controlled, fee-owned property that is underutilized.

Redevelopment of facilities and infrastructure would likely be required to accommodate continued use of the site; however, development at the site would be limited to previously disturbed areas and those areas that do not contain environmental resources of concern. The area proposed for outlease would exclude the ballfields and small arms range. All conditions that were required as part of the Biological Opinion prepared for the 2016 Environmental Assessment with FONSI would still apply under the Proposed Action.

Periodic fueling for the Navy would include a maximum of six ships per quarter with a surge of additional ships during potential contingency operations before returning to normal operations. During contingency operations, the Navy would be given priority over other potential users to ensure certainty and primacy in fueling when needed.

Purpose and Need

The purpose of the Proposed Action is to obtain infrastructure upgrades to and reutilization of the DFSP facility for commercial fueling use, with allowance for periodic fueling of Navy ships in support of 10 U.S.C. 5062.

The need for the Proposed Action is to ensure full use and maintenance of the asset through the commercial use of facilities and infrastructure at the site while maintaining capacity to meet periodic Navy fueling needs.

Currently, the DFSP San Pedro site supports administrative fueling infrastructure, buildings and bunkers, above and below ground storage tank areas, other fueling-related infrastructure, pipelines including fuel pipeline, sewer and other rights of way, and a fuel pier.

Environmental Assessment

During development of the Environmental Assessment, the Navy will evaluate the Proposed Action and alternatives for potentially accomplishing the Proposed Action. The public is invited to participate in the environmental review process to help identify the scope of analysis and environmental resource areas to be evaluated in the Environmental Assessment and to identify potential alternatives.

Screening Criteria

NEPA's implementing regulations provide guidance on the consideration of alternatives and require rigorous exploration and objective evaluation of reasonable alternatives. Only those alternatives determined to be reasonable and to meet the purpose and need require detailed analysis.

Potential alternatives that meet the purpose and need were evaluated against the following screening factors:

- The alternative must allow for normal fueling operations and priority contingency fueling of Navy ships within the Southern California area.
- Development under each alternative must avoid areas with known natural resources; disturbance would be limited to areas historically used for operations.
- The alternative must ensure ongoing maintenance of existing Navy infrastructure.
- The alternative must allow for the enhancement and maintenance of habitat for Palos Verdes blue butterfly and coastal California gnatcatcher.
- The alternative must accommodate the ongoing site cleanup pursuant to both the Comprehensive Environmental Response, Compensation, and Liability Act and the Clean Water Act.

The public can participate in the NEPA process by helping to identify the scope of analysis, environmental resource areas and potential viable alternatives for evaluation in the Environmental Assessment.

Alternatives

To date, the Navy has developed two alternatives and a No Action alternative, described below.

- **No Action Alternative**
Under the No Action Alternative, the Proposed Action would not occur. As required by NEPA, the No Action Alternative is carried forward for analysis in the Environmental Assessment and provides a baseline for measuring the environmental impacts of the action alternatives. The No Action Alternative does not meet the Navy's purpose and need.
- **Alternative 1: Operation and Rehabilitation of Marine and Main Terminals and Pipelines**
Alternative 1 would allow commercial fueling operations at both terminals and periodic fueling of Navy ships. Alternative 1 also would include rehabilitation of existing infrastructure and construction of new infrastructure. New infrastructure could include office, industrial, warehouse or storage buildings, outdoor storage areas and parking areas. It would include usage of on- and off-site pipelines.
- **Alternative 2: Operation and Rehabilitation of Marine Terminal and Pipelines**
Alternative 2 would be the same as Alternative 1 but would not include operation and rehabilitation of the Main Terminal.

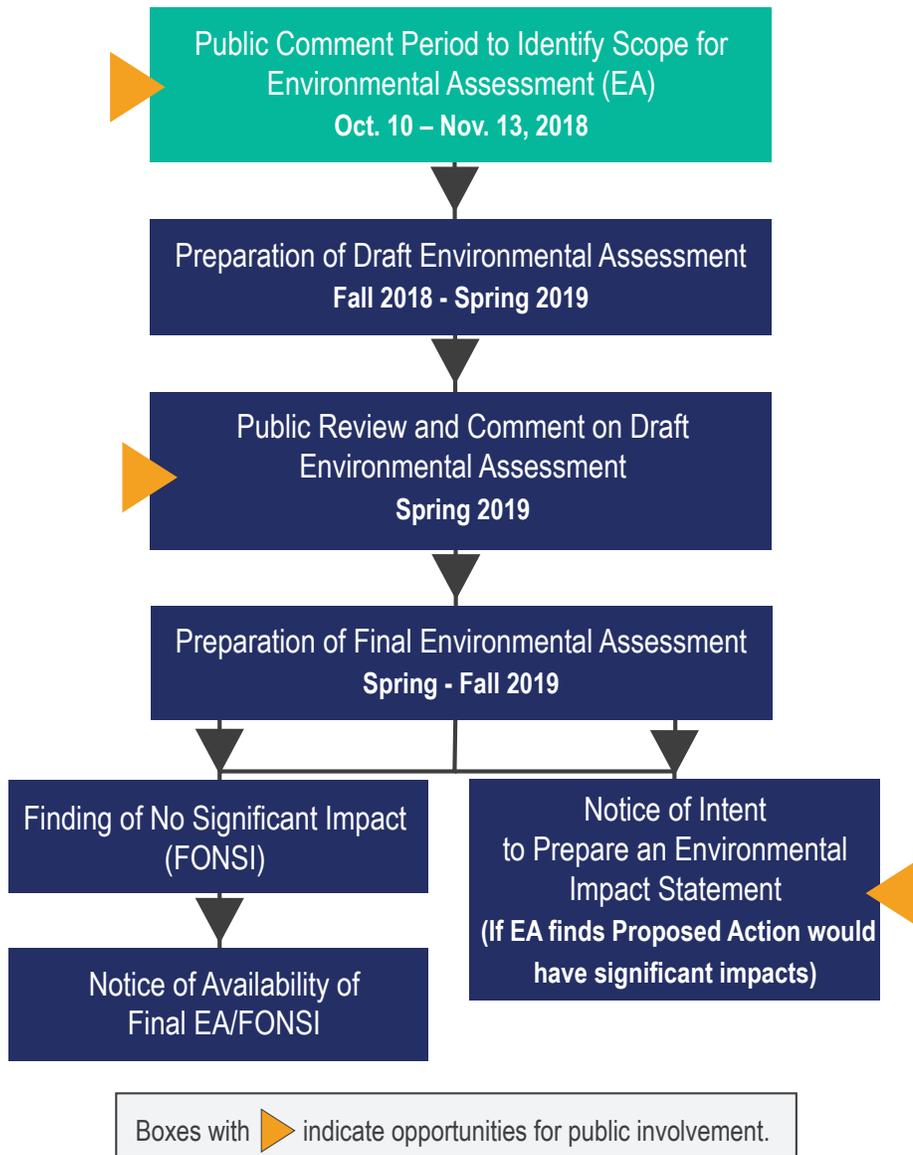
The NEPA Process and Community Involvement

NEPA requires federal agencies to consider the potential environmental impacts of their actions before making a decision. The public has an opportunity to provide input at key phases of the NEPA process:

- **During the public scoping phase**
The public helps identify the scope of analysis, environmental resource areas and potential alternatives to be analyzed in the Environmental Assessment.
- **When the Draft Environmental Assessment is available**
The public evaluates and comments on the analysis of the Proposed Action and alternatives and their potential impacts on several environmental resource areas.

The Navy will use the findings of the Environmental Assessment to determine the next steps in the NEPA process. If it is found that significant impacts would result, which could not be mitigated to less than significant levels, then the preparation of an Environmental Impact Statement would be needed. If the findings indicate that environmental impacts would not be significant, the Navy would prepare a FONSI, which would describe how the Navy determined that the Proposed Action would have no significant impacts. The Navy could then proceed with the selected alternative.

National Environmental Policy Act Process



The Environmental Assessment will focus on several resource areas that may potentially be impacted. The public is encouraged to provide input on these and other resource areas.

- Air quality
- Biological resources
- Environmental justice
- Geological resources
- Hazardous materials and waste
- Infrastructure
- Land use
- Noise
- Socioeconomics
- Public health and safety
- Transportation
- Water resources
- Visual resources

The Navy is committed to a transparent and thorough environmental review. The public's input helps to ensure all relevant issues are addressed.



How to Submit Comments

Written comments for the scoping phase must be submitted by the close of the public comment period on **Tuesday, Nov. 13, 2018**. All comments submitted by the due date will be considered in preparation of the Draft Environmental Assessment.

Submit written comments via email:

nwssbpao@navy.mil

There will be another public comment opportunity when the Draft Environmental Assessment is available for public review and comment, which is expected to be in Spring 2019.

Mail written comments to:

Naval Facilities Engineering
Command Southwest
Attention: Code EV25.TB
937 N. Harbor Drive
Building 1, 3rd Floor (Environmental)
San Diego, CA 92132

For More Information

- Visit <https://www.cnic.navy.mil/SanPedroEA>
- Contact Naval Weapons Station Seal Beach Public Affairs Office at 562-626-7215

The DFSP San Pedro 2016 Environmental Assessment and FONSI is available at the website listed above.

13 November 2018

VIA U.S. & ELECTRONIC MAIL
nwssbpao@navy.mil

Naval Facilities Engineering Command Southwest
ATTN: Code EV25.TB
937 N. Harbor Dr.
Bldg. 1, 3rd Fl. (Environmental)
San Diego, CA 92132

SUBJECT: Comments on the Scope of the Draft Environmental Assessment for the Proposed Outlease of Defense Fuel Support Point (DFSP) San Pedro for Commercial Fueling Operations

Dear Sir/Madam:

The City of Rancho Palos Verdes has received notice of the proposed outlease of DFSP San Pedro for commercial fueling operations, and we have reviewed the Navy's related fact sheet. Frankly, we are dismayed that the notice and fact sheet provide very little detailed information about the proposed project to which we can meaningfully respond. In our opinion, it would have been a more useful exercise for the Navy to provide more details defining the range of possible development and/or activity at DFSP San Pedro that is envisioned by this proposal. Nevertheless, we offer the following comments on the scope of the draft Environmental Assessment (EA) to be prepared for this proposal:

1. Air Quality: The EA should address construction-related air quality impacts to the extent that the proposed project ends up including substantial earth movement and/or the construction of new facilities at the DFSP San Pedro main terminal. Operational air quality impacts also need to be assessed, including the exposure of the surrounding community to noxious and/or hazardous odors or gases during on-site storage and handling, as well as transportation-related air quality impacts related to the shipment of fuel by truck, rail or other surface modalities.
2. Biological Resources: We understand that the proposed project would not impinge upon any portions of the DFSP San Pedro main terminal site that are currently maintained for sensitive biological habitats or operated by the Palos Verdes Peninsula Land Conservancy (PVPLC) for its native plant nursery and captive breeding program for endangered Palos Verdes blue butterflies. PVPLC's operations at DFSP San Pedro are of vital importance to habitat preservation and restoration efforts on the Palos Verdes Peninsula. Therefore, the EA should address both the on- and off-site biological resources impacts of the proposed project. Furthermore, the proposed

project should include mitigation to establish and enhance additional protected habitat on the DFSP San Pedro main terminal site.

3. Geological Resources: The DFSP San Pedro main terminal site is located within the fault zone for the active Palos Verdes fault. There are also substantial portions of the site that are susceptible to earthquake-induced landslides and liquefaction. The EA should address how any existing facilities and site infrastructure to be re-used by a new commercial fueling operator will be upgraded to meet current seismic safety standards. We also presume that all new structures and facilities at the main terminal will be designed to meet current seismic standards.
4. Hazardous Materials and Waste: Commercial fueling operations at the DFSP San Pedro main terminal will re-introduce a risk of upset and the exposure of the surrounding community to hazardous materials and waste (i.e., marine diesel, jet fuels and their by-products). The on-going clean-up of existing hazardous waste sites on the DFSP San Pedro main terminal site should continue under any future commercial fueling operator. The EA should address hazardous materials handling, storage and transshipment (via pipeline and/or surface transportation) and identify means and mitigation measures to reduce the risk of exposure of the surrounding community to less-than-significant levels. These risks should be assessed both individually for the proposed project and cumulatively for the larger petrochemical complex in the vicinity (i.e., ConocoPhillips refinery, Rancho LPG storage facility, etc.).
5. Public Health and Safety: Related to Items 1, 3 and 4 above, commercial fueling operations at the DFSP San Pedro main terminal have the potential to expose the surrounding community to variety of public health and safety risks. The introduction of this activity may also increase the demand for public safety resources in the event of an accident, emergency or terrorist attack. The EA should fully assess the impacts of the proposed project upon public health and safety in the surrounding community, including the identification of mitigation measures to secure the site and provide the needed resources for first responders to address emergency incidents that may occur at the site. As with Item 4 above, these assessments should be both site-specific and cumulative.
6. Transportation: We understand that the proposed project envisions re-using existing underground pipelines for the transshipment of fuel, but it is not clear if the use of ground transportation (i.e., truck, rail, etc.) for fuel might also be proposed. There are also likely to be construction-related transportation impacts upon the surrounding community if new construction and/or substantial earth movement is proposed at the DFSP San Pedro main terminal site. The EA should assess all transportation-related effects of the proposed project, including the risks associated with ground transportation of fuel and other hazardous materials.
7. Visual Resources: From the City of Rancho Palos Verdes' perspective, the most visually-prominent remaining features on the DFSP San Pedro main terminal site are the three (3) aboveground fuel storage tanks located near Western Avenue and Palos

Verdes Drive North. Western Avenue serves as the boundary between Rancho Palos Verdes and the San Pedro community in the City of Los Angeles. In addition to concerns about the possible re-use of these tanks related to Items 3, 4 and 5 above, the City is concerned about the visual impacts of new, industrial development along the Western Avenue frontage of the main terminal site. The EA should include an assessment of these visual impacts, including measures to ensure that the visual quality of the Western Avenue corridor and public views of the harbor area, Vincent Thomas Bridge and other local landmarks are not significantly degraded or impaired.

8. Alternatives: In addition to the required "No Action Alternative," only two (2) project alternatives have been identified at this point, one of which ("Alternative 2") does not involve the use of the DFSP San Pedro main terminal. Based upon the limited information currently available, the City is inclined to support Alternative 2 since the project's impacts would primarily be limited to the Navy's marine terminal in the Port of Long Beach. However, the EA should include the identification of a broader array of more-detailed, feasible and realistic project alternatives.
9. Public Review of Draft EA: We understand that, once the draft EA is completed, it will be released for a 15-day public review and comment period, as required pursuant to the provisions of the National Environmental Policy Act (NEPA). We are concerned that residents in Rancho Palos Verdes, the surrounding Los Angeles communities of San Pedro and Wilmington, and the City of Lomita would not have sufficient time to review and provide meaningful comments on the draft EA if only fifteen (15) days are provided to do so. As such, the City of Rancho Palos Verdes respectfully requests that the public comment period for the draft EA be extended to at least forty-five (45) days.

Again, thank you for the opportunity to comment upon this important project. If you have any questions or need additional information, please feel to contact me at (310) 544-5226 or via e-mail at kitt@rpvca.gov. After 20 December 2018, please contact Deputy City Manager Gabriella Yap at (310) 544-5203 or via e-mail at gyap@rpvca.gov.

Sincerely,



Kit Fox, AICP

Senior Administrative Analyst

cc: Mayor Susan Brooks and Rancho Palos Verdes City Council
Doug Willmore, City Manager
Gabriella Yap, Deputy City Manager
Andrea Vona, Executive Director, PVPLC