

## **BORDER ISSUES STATUS REPORT**

### **Revised December 20, 2022**

*The following is a listing of the history and most recent status of all of the Border Issues that are currently being monitored by the City.*

#### **BUTCHER SOLANA RESIDENTIAL DEVELOPMENT PROJECT (TORRANCE)**

- *Last Update: December 20, 2022*

On July 27, 2017, the City of Torrance released the Notice of Preparation (NOP) of an Environmental Impact Report (EIR) for the Butcher-Solana Residential Development Project. The project proposes a 248-unit apartment complex on a 5.71-acre portion of a 24.68-acre former quarry site located at the southwesterly corner of Hawthorne Blvd. and Via Valmonte in the City of Torrance. The project site abuts city-owned parkland in Palos Verdes Estates and Ernie Howlett Park in Rolling Hills Estates. The 30-day public comment period was set to end on August 28, 2017 and a public scoping meeting was scheduled at Torrance City Hall on August 10, 2017. Click [here](#) for additional information on the City of Torrance's website.

On August 10, 2017, the City of Torrance held a scoping meeting for the proposed 248-unit Butcher-Solana Residential Development Project. The meeting was well-attended by residents from Torrance, Palos Verdes Estates and other nearby neighborhoods and cities. Speakers were universally opposed to the proposed project, citing issues related to traffic and parking, neighborhood compatibility, general plan consistency, geology and landslides, noise, air quality, cultural resources and other issues. During the latter half of August 2017, City Staff planned to meet with our colleagues at Palos Verdes Estates and Rolling Hills Estates to coordinate our written comments on the scope of the project's EIR. Comments on the scope of the EIR were due to the City of Torrance by 5:00 PM on August 28, 2017.

On August 23, 2017, Staff members from all four (4) Peninsula cities met to discuss our responses to the request for comments on the scope of the Environmental Impact Report (EIR) for the proposed 248-unit Butcher-Solana apartment project in the *Walteria* neighborhood of the City of Torrance. Issues of concern to the Peninsula cities included construction impacts, traffic/parking impacts, noise and open space. Each of the cities submitted comments to Torrance by the August 28, 2017 comment deadline. However, Torrance indicated that it would continue to "informally" accept comments on the scope and content of the EIR until September 18, 2017.

On June 19, 2019, the City of Torrance released a draft environmental impact report (DEIR) for the proposed Butcher Solana apartment project at the southwest corner of Hawthorne Boulevard and Via Valmonte. The project would consist of 248 one- and two-bedroom apartments in three five-story buildings with 484 parking spaces in a six-story structure. The public comment period for the DEIR was extended from 45 to 60 days.

The DEIR can be viewed at <https://www.torranceca.gov/our-city/community-development/planning/butcher-solana>

In early August 2019, Staff attended a meeting with staff from the cities of Palos Verdes Estates and Rolling Hills Estates to discuss the project and how each city intended to comment. Several concerns were raised, including inconsistencies throughout the document, purportedly outdated information, and erroneous analyses. Staff also attended a community meeting about the project at the Red Onion restaurant in Rolling Hills Estates.

According to planning staff at the City of Torrance, because the project falls in that city's Hillside Overlay Area, the applicant was required to construct silhouettes showing the structures' visual impacts. Due to heightened interest, Torrance planning staff required the silhouettes go up for a longer-than-usual period of at least 60 days before the development's first hearing at the Planning Commission.

Silhouettes were constructed in late July, but Torrance planning staff was unable to certify them because they were damaged. The project application is therefore considered incomplete.

On August 19, 2019, the City submitted its comments on the DEIR, noting that although several issues the City previously raised were addressed in the analysis, numerous other concerns were not, as well as inaccuracies that the City identified.

According to the City of Torrance, more than 690 comment letters came in, and in mid-September, the project developer notified planning staff it was putting the project on hold while it reviewed them.

The project is not withdrawn and the developer is expected to touch base with the City of Torrance about its next steps in 2020, according to city staff.

As of June 2020, City of Torrance planning staff indicated the project remains on hold.

As of December 2020, City of Torrance planning staff indicated it has not heard from the project developer since prior to the onset of the COVID-19 pandemic and the project remains on hold.

As of June 2021, City of Torrance planning staff indicated the project remains on hold.

As of December 2021, City of Torrance planning staff indicated the project remains on hold.

As of June 2022, City of Torrance planning staff indicated the project remains on hold.

As of December 2022, City of Torrance planning staff indicated the project remains on hold.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **DEFENSE FUEL SUPPORT POINT SAN PEDRO (LOS ANGELES (SAN PEDRO))**

- *Last Update: December 20, 2022*

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. 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.

On April 17, 2019, Staff received notice from the Navy of the release of a [draft environmental assessment \(EA\)](#) of a proposal to renew fueling operations under a commercial lease at Defense Fuel Support Point San Pedro (DFSP), the sprawling, inactive Navy fuel tank farm on North Gaffey Street (which borders the City on a stretch of Western Avenue), and an 8-acre marine terminal about five miles southeast in the Port of Long Beach.

The Navy deactivated DFSP in late 2015, filling its underground tanks with foamcrete for permanent closure, and began exploring how the site could be used in the future. The Navy determined DFSP is desirable for fueling needs for the growing Pacific Fleet. According to the Navy, leasing the property to a commercial operator is optimal because it would enable the Navy to use the site for fueling operations, but have the lessee cover the costs of rehabilitation and maintenance of facilities.

The draft EA studied two alternatives: Alternative 1 proposed renewing fueling operations for a mix of commercial and Navy use on 311 acres at the San Pedro site, the marine terminal and about 14 miles of underground pipelines; and Alternative 2

proposed renewing operations at the marine terminal and pipelines only. A No Action Alternative was also studied, but the Navy determined this would not meet its needs.

The analysis assumed a maximum of 30 million barrels of fuel a year being transported for commercial and Navy use, noting the historical use by the Navy of 4 million to 12 million barrels per year. The assessment found that, with mitigation, there would be no significant impacts across 13 resource areas. Development would be limited to previously disturbed areas and biological resources that support sensitive species, including the Palos Verdes blue butterfly population, would not be disturbed. Three aboveground storage tanks near Western Avenue and Palos Verdes Drive North could be reactivated and additional facilities, including new tanks, could be constructed.

On May 16, 2019, Staff submitted a comment letter to the Navy raising serious concerns with the proposal, including the unknowns of potential commercial uses and the construction of new facilities at the San Pedro site, public safety hazards, increased traffic, and biological and visual impacts.

Los Angeles City Councilman Joe Buscaino, who represents the Harbor Area, sent a letter to the Navy opposing reactivating the San Pedro site, saying multiple existing liquid bulk facilities in the twin ports of Los Angeles and Long Beach are capable of meeting the Navy's needs.

In response to requests from the community, the Navy extended the public comment deadline for the draft EA from May 20, 2019 to June 3, 2019.

On May 29, 2019, Staff attended a meeting of the Northwest San Pedro Neighborhood Council Community Issues Committee, where the panel heard an overview of the proposal from Gregg Smith, a public affairs officer for Naval Weapons Station Seal Beach. Smith took questions and clarified that the Navy would not collect rent from the lessee, saying the arrangement would be for in-kind services (improvements and maintenance). Smith also said that since announcing plans to potentially reactivate DFSP, the Navy has been approached by several local oil industries that expressed interest in the potential outlease.

The committee members raised various public safety concerns about renewing and significantly increasing fueling operations at the depot site in San Pedro, given its proximity to homes, populated areas, the nearby Rancho LPG storage tanks and the Philips 66 oil refinery. Smith said that under Alternative 2, one possibility could be for a nearby oil refinery with existing pipelines capable of connecting to the marine terminal to enter an outlease, meaning, the use of the site near homes could be avoided.

The Navy granted the Northwest San Pedro Neighborhood Council an extension to submit comments on the draft EA after June 3, 2019 so they could be discussed at the council's next board meeting after the deadline. On June 10, 2019 the board voted unanimously to send a letter opposing Alternative 1 over various environmental and public safety concerns, expressing strong opposition to the construction of new storage

tanks, and calling for additional alternatives to be studied before making a decision on Alternative 2.

According to the Navy, a final EA should be released by the end of 2019. The Navy would then put out a request for proposals and make a final decision on its next steps soon after. Any potential development not studied in the EA would require additional analysis.

On November 4, 2019, the U.S. Navy released a request for proposals (RFP) for a proposed outlease of Defense Fuel Support Point San Pedro (DFSP), the sprawling, inactive Navy fuel tank farm on North Gaffey Street (which borders the City on a stretch of Western Avenue), and an 8-acre marine terminal about five miles southeast in the Port of Long Beach.

The RFP can be viewed online at [https://beta.sam.gov/opp/5154a49bfb9b09f33f91a9eb276e3a03/view?index=opp&page=1&sort=-relevance&keywords=defense%20fuel%20support&date\\_filter\\_index=0&inactive\\_filter\\_values=false](https://beta.sam.gov/opp/5154a49bfb9b09f33f91a9eb276e3a03/view?index=opp&page=1&sort=-relevance&keywords=defense%20fuel%20support&date_filter_index=0&inactive_filter_values=false)

Proposals are due January 17, 2020. Prior to the release of the RFP, the Navy indicated it had been approached by several local oil industries that expressed interest in the potential outlease.

The RFP states that the Navy's target lease execution date is August 31, 2020. All federal, state and local permits and licenses required to meet the Navy's fueling requirement would need to be obtained by the end of August 2022, and the operator would need to be capable of delivering fuel to the Navy via pipeline at the fuel pier by the end of August 2023.

The solicitation period for the RFP closed on February 14, 2020, with no proposals received. However, the Navy still has a requirement for contingency ship fueling that must be provided in a safe, secure and cost-effective manner. After receiving feedback from the industry, it was determined that there was commercial interest in the release of a modified solicitation offering more flexible alternatives (including the ability to take only portions of the DFSP property rather than the entire property) and more information to proposers. The Navy released a Request for Qualifications (RFQ) on May 1, 2020, with a re-structured RFP scheduled to be available in July 2020. The RFQ was updated to extend the deadline for Statements of Qualification to June 11, 2020.

A copy of the RFQ can be viewed online at [https://beta.sam.gov/opp/e70b882837da49ea9a67ce7403c2738f/view?keywords=defense%20fuel%20support%20point&sort=-relevance&index=opp&is\\_active=true&page=1](https://beta.sam.gov/opp/e70b882837da49ea9a67ce7403c2738f/view?keywords=defense%20fuel%20support%20point&sort=-relevance&index=opp&is_active=true&page=1)

It is Staff's understanding that the final EA will not be released until after proposals come in so the assessment can fully analyze the most likely scenarios for future use of the site.

On July 2, 2020, the request for qualifications (RFQ) solicitation period closed for the proposed commercial outlease. The Navy received several responses to the RFQ, and a request for proposals (RFP) was released in August 2020.

The RFP period closed in September 2020, but the Navy has not yet determined what the future use of the property will be. Federal solicitation regulations prevent the release of information about individual commercial proposals at this point in the solicitation process.

Following the release of a revised RFP in January 2021, the U.S. Navy selected an offeror for commercial use of the Main Terminal of DFSP. DFSP also includes an 8-acre marine terminal about five miles southeast in the Port of Long Beach, but the Navy determined it would be in the best interests of the government for the Main Terminal and Marine Terminal outlease processes to be separated. In February 2021, the Navy readvertised the Marine Terminal and pipelines for a separate lease, without the requirement for Navy ships to receive fuel at Pier 12. This new RFP closed in April 2021.

As of December 2021, negotiations are underway for separate leases for the Main Terminal and the Marine Terminal. According to the Navy, the Marine Terminal outlease is scheduled to be completed by mid-2022, and the Main Terminal outlease signing is scheduled to be completed by the end of 2022. No additional information is available due to Department of Defense solicitation regulations. Once the leases are signed, the Navy will be able to provide additional information.

As of June 2022, negotiations remain ongoing for the separate leases for the Main Terminal and the Marine Terminal. No additional information is available due to Department of Defense solicitation regulations. Once the leases are signed, the Navy will be able to provide additional information.

A final environmental assessment (EA) was scheduled to be released in mid-June for the Marine Terminal portion of DFSP, and the Navy was still determining whether a supplemental EA is needed for the Main Terminal on Gaffey Street.

As of December 2022, negotiations remain ongoing for the separate leases for the Main Terminal and the Marine Terminal. No additional information is available due to Department of Defense solicitation regulations. Once the leases are signed, the Navy will be able to provide additional information.

On June 17, 2022, the Navy released a finalized EA and Finding of No Significant Impact for the potential commercial outlease of the Marine Terminal. The final EA

indicated that a commercial outlease of the Marine Terminal would not significantly impact the quality of the human or natural environment.

For the DFSP San Pedro Main Terminal outlease, the Navy is currently determining if a Supplemental EA is needed. The signing of a Main Terminal outlease would not take place until all environmental documentation is complete. If a Supplemental EA is needed, there would be an additional public review and comment period.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **PONTE VISTA PROJECT AT FORMER SAN PEDRO NAVY HOUSING SITE (CITY OF LOS ANGELES/SAN PEDRO)**

- *Last Update: December 20, 2022*

There was no new information presented at the August 28, 2002 San Pedro Facility Restoration Advisory Board (RAB) meeting regarding the status of the transfer of the San Pedro and Palos Verdes housing sites to the various agencies identified by the San Pedro Reuse Committee in 1999. A portion of the housing along Taper Avenue was transferred to the Archdiocese of Los Angeles in 2001 for the possible future expansion of Mary Star of the Sea High School.

On September 13, 2002, Staff spoke with Navy personnel regarding the transfer of the housing sites. According to the Minutes of the August 2001 RAB meeting, the transfer of these properties was being held up by the issue of Palos Verdes blue butterfly habitat on and adjacent to the housing sites. Consultations between the Navy and the US Fish and Wildlife Service (USFWS) over the Navy's proposed habitat plan reached an impasse in early 2002, which was only broken when the Navy agreed that it would retain ownership of a critical habitat area adjacent to the Palos Verdes housing site. Under this scenario, the various proposed recipients of the properties—including Marymount College—would be responsible for dealing individually with USFWS if any critical habitat issues arose on their respective properties as a result of their proposed reuse and/or redevelopment. However, the City of Los Angeles apparently objects to this scenario and has asked the Department of Housing and Urban Development (HUD)—which is the last Federal agency that needs to approve the transfer of the properties—to withhold any action on the San Pedro Reuse Plan until its concerns are addressed. Navy personnel indicated that HUD could unilaterally approve the Reuse Plan over the City of Los Angeles' objections but has been understandably reluctant to do so. Nevertheless, the Navy believed that the transfer of the housing sites could be finalized by early 2003.

On October 28, 2002, the *Daily Breeze* reported that the impasse regarding the transfer of the former Navy housing sites had been broken, largely due to the efforts of Congresswoman Jane Harman and Los Angeles City Councilwoman Janice Hahn. The transfer of the property to the City of Los Angeles was expected to be complete by the end of 2002. As a part of the property transfer, the Navy will set aside a 10-acre fenced preserve for the Palos Verdes blue butterfly, to be maintained and monitored by the a

land conservancy group. The housing sites will ultimately be transferred to Marymount College, Rolling Hills Preparatory School, South Bay Crossings and the Kenny Nickelson Memorial Foundation for Homeless Veterans, all of whom were identified in the 1999 base reuse plan. However, the Harbor-UCLA Research and Education Institute (REI), which was slated to redevelop approximately 46.5 acres of the Western Avenue housing site, withdrew its plans for the site. With the withdrawal of REI, its portion of the San Pedro housing site will be put up for bid sale by the Navy in early 2003. The former REI portion—which is zoned R-1 and contains approximately 190 dwelling units—is expected to generate interest from the residential development community.

On January 18, 2003, the Los Angeles *Times* reported that HUD was slated to make a final decision on the 1999 reuse plan in late January 2003, pending resolution of a revived dispute between the City of Los Angeles and Volunteers of America (VOA), a homeless advocacy group. VOA was one of the original applicants for the reuse of the former Navy housing, but was not one of the final recipients identified in the 1999 plan. VOA had been trying to increase the number of dwelling units set aside for low-income families and the homeless, particularly since the units formerly allocated to REI are now “up for grabs” with the withdrawal of REI’s proposal for the San Pedro housing site. The South Bay *Daily Breeze* subsequently reported on February 5, 2003, that the City of Los Angeles and VOA failed to reach a compromise, and the 1999 reuse plan was forwarded to HUD as originally approved.

On March 8 and 9, 2003, the *Times* and the *Daily Breeze*, respectively, reported that HUD had rejected the 1999 reuse plan for the former Navy housing sites. In a letter to the City of Los Angeles, HUD stated that the 1999 reuse plan did not adequately balance economic development and the needs of the community’s homeless. HUD further suggested that at least seventy-six (76) additional dwelling units be set aside for low-income housing, possibly within the San Pedro housing site on Western Avenue. HUD has given the City of Los Angeles ninety (90) days to develop a revised plan to address its concerns.

On May 6, 2003, Staff in the office of Los Angeles City Councilwoman Janice Hahn advised the City that neither Councilwoman Hahn nor Los Angeles Mayor James Hahn proposed or supported any alteration to the 1999 reuse plan. The Councilwoman’s Staff indicated that the City of Los Angeles was working on a response to HUD’s concerns, which was scheduled to be transmitted to HUD. Ultimately, the City of Los Angeles did not respond to HUD’s concerns by the June 7, 2003 deadline, effectively reiterating its endorsement of the original 1999 reuse plan.

On June 20, 2003, Staff contacted Navy personnel regarding the next steps in the property transfer process. Based upon the City of Los Angeles response (or lack thereof) to HUD’s comments about the 1999 reuse plan, HUD has sixty (60) days to issue a final determination regarding the disposal of the property. If HUD stands by its previous position that at least seventy-six (76) additional units be set aside for low-income housing, then HUD has the authority to decide what agency or entity will receive



those units. Pending HUD's final determination, the Navy has made no decision regarding the disposition of the housing sites. However, once a final determination is issued, the Navy will transfer the property based upon the allocation program outlined in the 1999 reuse plan (as modified by HUD). Any unallocated portions of the property (i.e., the former Harbor-UCLA Research and Education Institute portion) will be put up for public sale to the highest bidder.

HUD rejected the 1999 reuse plan for the former Navy housing sites in San Pedro on August 13, 2003. According to Los Angeles City Councilwoman Janice Hahn's office, the Navy now plans to auction off the Western Avenue portion of the property to the highest bidder. As mentioned previously, the property is zoned R-1 and would be expected to be developed with market-rate single-family homes.

On September 8, 2003, a representative of Councilwoman Hahn's office made a presentation to the Northwest San Pedro Neighborhood Council regarding the disposition of the former Navy housing sites in light of HUD's rejection of the 1999 reuse plan. Also present at the meeting were representatives of Marymount College, Rolling Hills Preparatory School and Volunteers of America (VOA).

Councilwoman Hahn's representative made it clear that HUD's request for seventy-six (76) additional units for the homeless was only a recommendation to the Navy, which has the final authority to determine the allocation of the property. She further stated that the Navy has indicated that it intends to comply with "spirit" of the 1999 reuse plan and the "intent" of HUD's recommendation. To this end, the Navy expects to transfer all of the property on the Palos Verdes site in general accordance with the 1999 reuse plan. However, with the exception of one acre and two structures allocated to the Kenny Nickelson Memorial Foundation for Homeless Veterans, the balance of the San Pedro/John Montgomery site—containing two hundred forty-five (245) dwelling units—will be put up for Internet bid auction, and potential bidders will be advised of their obligation to provide for seventy-six (76) units of homeless housing. This obligation can be satisfied by 1) buying out the homeless services providers (i.e., VOA and San Pedro Enterprise Community (SPEC)) for the value of the units; 2) agreeing to provide the units on-site as a part of a future development project; or 3) some combination of both of these alternatives. The Navy now hopes to dispose of all of its former housing by the end of 2003.

At the annual San Pedro Facility RAB meeting on October 1, 2003, Navy personnel stated that the Navy had issued a Finding of Suitability to Transfer (FOST) for the San Pedro/John Montgomery housing site, thereby clearing the way for its sale. However, a FOST had not yet been issued for the Palos Verdes site.

In response to Councilman Clark's comments at the October 7, 2003 City Council meeting, Staff contacted Los Angeles City Councilwoman Janice Hahn's office regarding any further action by the City regarding the transfer of the housing sites. According to Staff in the Councilwoman's office, the transfer of the housing sites is proceeding and the City of Los Angeles is not taking any further action to delay it or to

re-open the process to another reuse committee. On November 5, 2003, Staff prepared a draft letter to the Navy expressing the City Council's position that the reuse plan should be implemented and the housing sites transferred as approved by the reuse committee and the Los Angeles City Council in 1999. This letter was finalized and sent to the Navy on November 6, 2003.

On March 10, 2004, Staff and Councilman Wolowicz attended a meeting with Navy representatives to discuss the status of the transfer of the former Navy housing site with 25 to 30 concerned residents in the area, including Rancho Palos Verdes residents from the *Rolling Hills Riviera* and *Palo de Encino* neighborhoods. The meeting featured Elise Swanson of Los Angeles Councilwoman Janice Hahn's office, John Hill and Kimberly Kessler with the Navy and Chad Molnar of U.S. Congresswoman Jane Harman's office.

Mr. Hill briefly recapped the history of the 1999 reuse plan and its rejection by the U.S. Department of Housing and Urban Development (HUD) in August 2003. He reported that the educational conveyances of portions of the Palos Verdes site to Marymount College and Rolling Hills Preparatory School were moving forward. He noted that the conveyance of 76 units of the Palos Verdes site to South Bay Crossings for homeless housing was still held up with HUD, which is assessing South Bay Crossings' ability (financial and otherwise) to implement their proposed project. He also reconfirmed that the San Pedro site would be put up for public bid auction this summer, with the winning bidder obligated to provide 76 units of homeless housing for Volunteers of America (VOA). This obligation could be met by providing these units on site, or negotiating to "buy out" VOA for the value of all or a part of these units. Mr. Hill also stated that, in the event that HUD does not "sign off" South Bay Crossings' proposal, the 76 units on the Palos Verdes site would also be awarded to VOA.

In response to many attendees' concerns about VOA's intentions regarding the San Pedro site, Ms. Swanson stated Councilwoman Hahn has been working actively with VOA to find an alternative off-site location for these 76 units of homeless housing. She said that the Councilwoman has met with VOA and representatives of a church in Watts to discuss such an alternative, and that VOA has expressed interest in other site options for these units.

Many attendees questioned HUD's determination rejecting the 1999 reuse plan, and asked what (if anything) could be done now to change this determination. It was the consensus of Mr. Hill, Ms. Kessler and Ms. Swanson that there was little or no chance of changing HUD's determination. Mr. Hill stated that the Navy would not question or challenge HUD's determination regarding the additional 76 homeless units because the Federal statute regulating the procedures for base closures gave this authority to HUD, while the Navy has no expertise in homeless housing matters. He also stated that this was the only case of which he was aware where HUD rejected the reuse plan for former Navy property, and that there were no provisions in the Federal statute to allow the community to formally "step back into" the process if a reuse plan is rejected. In response to questions from attendees, Mr. Molnar stated that he would try to find out

the basis for HUD's selection of 76 as the number of additional homeless units needed, which appeared to be an arbitrary number to many people.

Marymount College's acquisition of an 11.3-acre portion of the former Navy housing site on Palos Verdes Drive North on May 10, 2004 was reported in the *Daily Breeze* and Palos Verdes Peninsula News on May 11<sup>th</sup> and May 13<sup>th</sup>, respectively. The 86 townhouse units had been leased from the Navy for student and faculty housing since 1998.

Staff understands that the Navy has been pre-qualifying bidders for the auction of the San Pedro housing site. One of the potential bidders is the Westgate Group, who is proposing to construct a 140-unit condominium project on adjacent property in the City of Los Angeles (see discussion below). The website for the auction of the Navy housing site (<http://www.PonteVista.com>) was up and running by the end of July 2004. The property is being marketed as *Ponte Vista* to homebuilders through Colliers Seeley, a major international commercial real estate brokerage. According to the *Ponte Vista* website, an Invitation for Bid (IFB) is expected to be released this fall, with the bidding period to be open for a 30- to 45-day period after release of the IFB.

At the annual San Pedro Facility RAB meeting on August 18, 2004, Navy personnel stated that portions of the Palos Verdes housing site had been quitclaimed to Marymount College and Rolling Hills Preparatory School in April 2004 and August 2004, respectively. It was also announced that the seventy-six (76) units of homeless housing on the Palos Verdes site would be granted to Volunteers of America (VOA) since South Bay Crossings failed to demonstrate its ability to fulfill its obligations under the 1999 reuse plan. Navy personnel also discussed the upcoming Internet auction of the San Pedro/John Montgomery housing site.

As of late-October 2004, the Navy had not yet issued the IFB to begin the on-line auction of the *Ponte Vista* property. However, the auction website had been updated to include additional, detailed information about the portions of the property to be conveyed to VOA and the Kenny Nickelson Memorial Foundation (KNMF) for homeless housing and related services. At the end of the auction and prior to close of escrow, the winning bidder will have the opportunity to negotiate an alternative agreement with VOA and/or KNMF to "buy out" their interests, which total approximately twenty (20) acres of the 62-acre site and include seventy-six (76) existing residences and two (2) non-residential buildings. The Navy shall have final authority to approve any alternative agreement reached by winning bidder and the homeless services providers. In the event that an alternative agreement is not approved and/or executed, the Navy shall quitclaim the designated portions of the site to VOA and/or KNMF.

On November 1, 2004, the Navy issued the IFB to begin the on-line auction process for the *Ponte Vista* property. The auction itself was scheduled to begin on December 1, 2004, with a minimum opening bid of twenty-five million dollars (\$25,000,000) for the 61.53-acre site. Prospective bidders were required to post a registration deposit of one million two hundred fifty thousand dollars (\$1,250,000). The IFB also advised bidders of

the obligation to provide for the designated homeless service providers (HSPs), either through an alternative agreement between the HSPs and the high bidder or through direct conveyance of nearly twenty (20) acres of the site to the HSPs. The auction is expected to continue until at least mid- to late-December 2004.

The on-line auction for the *Ponte Vista* property began on December 1, 2004, but got off to a slow start, with only one bid submitted after nearly three weeks. On December 16, 2004, the Navy issued an amendment to the Invitation for Bids (IFB) for a revised easement description related to the homeless services providers' (HSPs') parcels. Due to the amended IFB, the auction is not expected to end until early January 2005. Once the auction ends and during the 60-day escrow period, the final high bidder will have the opportunity to negotiate alternate agreements with the designated HSPs to possibly acquire their respective interests in the *Ponte Vista* site, which encompass seventy-six (76) units and two (2) non-residential buildings on a 19.58-acre portion of the site. The Navy retains the authority to approve or disapprove any alternate agreement(s) between the high bidder and the HSPs.

The 72-hour "Call for Final Bids" in the on-line auction for the *Ponte Vista* property was issued on January 3, 2005. The number of bidders then increased to at least four (4), and the pace of bidding suddenly picked up at this point. The Navy issued an amendment to the IFB on February 17, 2005, to increase the minimum bid increment to \$500,000, presumably to speed up the conclusion of the auction. The Navy issued another IFB amendment on February 25, 2005, to increase the minimum bid increment to \$1,000,000. Shortly thereafter, the on-line auction ended on March 7, 2005. The high bid of \$88,000,000—which equates to nearly \$2,100,000 per acre—was submitted by "guildmortge" and the second highest bidder was "richmar." The high bidder is only guaranteed to receive a 41.95-acre portion of the 61.53-acre property, with the remaining balance of the property to be conveyed to the designated HSPs unless alternate agreements are reached between the high bidder and the HSPs. The actual identities of the two highest bidders had not been revealed by the time this report was completed. Also, in a *Daily Breeze* article on March 9, 2005, Los Angeles City Councilwoman Janice Hahn—in whose district the *Ponte Vista* property is located—was quoted as supporting the inclusion of Little League fields in the future residential development project. Staff continued to monitor the progress of the sale through the end of the auction and the 60-day escrow period, including the status of any alternate agreements that may be reached between the final high bidder and the HSPs.

In a *Daily Breeze* article on April 6, 2005, the high bidder in the *Ponte Vista* auction ("guildmortge") identified himself as Bob Bisno of Century City-based Bisno Development Company. Based upon comments attributed to Mr. Bisno, it appears that he intends to develop the site with high-density multi-family units, and to construct substantially more units than the two hundred forty-five (245) homes that currently exist on the site. The property is currently zoned R-1 by the City of Los Angeles, so it is expected that a change in zoning will be required to implement the developer's proposal. However, Mr. Bisno has expressed confidence that he will reach agreements

with the designated HSPs to buy out their interests in a 19.58-acre portion of the 61.53-acre site.

A *Daily Breeze* article on July 13, 2005, reported that Bisno Development was preparing to submit an application to develop the former Navy housing site with 2,300 townhouses and condominiums. As part of the project, a portion of the development would be dedicated for senior housing and a senior recreation center. Additionally, it was reported that the developer proposed to set aside forty percent (40%) of the project site as open space, and to construct four (4) baseball diamonds for San Pedro's Eastview Little League. Plans were expected to be submitted to the City of Los Angeles during the week of July 18<sup>th</sup>. The *Daily Breeze* article noted the concerns of neighboring homeowners' associations and Councilwoman Janice Hahn's office regarding the scale of the project and the potential impacts it would have on the environment and surrounding neighborhoods.

On August 22, 2005, City Staff met with the developer's representatives on the project site. At that meeting, City Staff was informed that project plans had been submitted to the City of Los Angeles and were being reviewed for completeness. The developer's representatives confirmed that the project proposed 1,725 multi-family housing units and 575 senior housing units for a total of 2,300 housing units on a site that previously accommodated 245 housing units. City Staff was also informed that the 76-unit transitional homeless housing facility was no longer a part of the project.

After hearing the developer's presentation, City Staff raised brief concerns regarding impacts to Western Avenue, specifically regarding traffic volumes related to the high density of the project and the design of the street entry points to the project site. The developer's representatives informed City Staff that an advisory board, consisting of the project team and community members, would be formed to address public concerns. When asked if a community representative from the City was on the advisory board, the developer's representatives said that there was but they could not recall the individual's name. To date, it is still unknown who (if anyone) has been asked to serve on the advisory board on the City's behalf. It should also be noted that the developer's representatives intend to participate in the Western Avenue Task Force process.

On September 15, 2005, the City received a Notice of Preparation (NOP) from the City of Los Angeles notifying interested parties that an EIR would be prepared for the *Ponte Vista* project and that a public scoping meeting would be held on October 6, 2005. The public comment period was scheduled to end on October 14, 2005. Staff intended to attend the scoping meeting and report back to the Council.

At the October 6<sup>th</sup> scoping meeting, many Rancho Palos Verdes, San Pedro and Harbor City residents expressed their concerns about the project. These concerns included (but were not limited to): traffic impacts related to existing and proposed development surrounding the project site; proposed residential density that is nearly ten (10) times the number of existing units on the project site; impacts upon local schools and other public services and infrastructure; the gating of the community and limiting public

access to the project's recreational amenities; the close proximity of the proposed Little League fields to the adjoining condominiums and other issues related to the design of the site; air quality impacts to surrounding residences during and after project construction; and hazardous materials issues and the close proximity of the site to the adjoining Navy fuel depot. The City of Los Angeles also announced that the public comment period for the Notice of Preparation (NOP) would be extended to November 30, 2005 (it was originally scheduled to end on October 14, 2005). Staff prepared draft comments on the NOP for the City Council's review at the November 1, 2005, meeting, prior to their submittal to Los Angeles City Planning staff.

On November 9, 2005, a second community meeting was held for the *Ponte Vista* project. No new project information was presented at this meeting, which served primarily to give the developer's project team an opportunity to present information to the public about the project. It was also interesting to note that the developer was actively soliciting public opposition (in the form a petition) to the selection of the *Ponte Vista* site as the preferred site for a new public high school, and that the Ponte Vista Community Advisory Board was characterized to Staff by the community outreach coordinator as "friends of *Ponte Vista*." Staff asked to be provided with the names of the Rancho Palos Verdes representatives to the Advisory Board, but the developer had not done so by the date that this report was completed. Therefore, in response to the City Council's direction on November 1, 2005, the final comments on the scope of the Environmental Impact Report (EIR) for the *Ponte Vista* project were forwarded to the City of Los Angeles on November 14, 2005. The public comment period on the scope of the EIR ended on November 30, 2005. Staff expects that a draft EIR for the project may be available for public review and comment by the second quarter of 2006.

Based upon direction from the City Council at the December 6, 2005, meeting, a letter from the Mayor to Los Angeles City Councilwoman Janice Hahn was prepared on December 22, 2005. Staff continues to monitor this project, and awaits the release of the draft EIR.

On February 13, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) agendized a motion opposing a proposal by Los Angeles City Councilwoman Janice Hahn for a specific plan for the *Ponte Vista* project. The NWSPNC agreed that the entire site should be master planned, but was concerned that the NWSPNC needed a role in the process and that the Los Angeles Unified School District (LAUSD) should be included as a project stakeholder. In last-minute discussions with Councilwoman Hahn, however, she agreed to a 3-phase Neighborhood Assessment Process for the project. The phases would include an assessment of existing conditions in the northwest San Pedro area, including a proposed subdivision and new Target store at Capitol Drive and Gaffey Street; a series of focus groups in the community; and the preparation of a specific plan for the *Ponte Vista* site. Based upon these changes in Councilwoman Hahn's proposal, the NWSPNC withdrew its opposition. Staff continues to monitor this project, and awaits the release of the draft EIR.

As of late March 2006, the City had yet to receive a formal response to the December 2005 letter from Mayor Wolowicz to Los Angeles City Councilwoman Janice Hahn expressing concern about the role and function of the developer's *Ponte Vista* Advisory Board. In the meantime, on March 22, 2006, the City received a newsletter from the *Ponte Vista* developer, announcing (among other things) the formation of the *Ponte Vista* Advisory Board. The Board members were characterized as "goodwill ambassadors to the community" who "assist in selecting recipients of the *Ponte Vista* community contribution grants."

In addition to the *Ponte Vista* project, Staff has been recently made aware of two other projects in the northwest San Pedro area that may have impacts upon congestion in the Western Avenue corridor. On March 13, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) received a preliminary presentation regarding the proposed Target store on the former DiCarlo Bakery site at the northwest corner of Capitol Drive and North Gaffey Street. In addition, on March 17, 2006, the City received a public hearing notice for a proposed 134-unit condominium project on the former Kinder-Morgan tank farm site near the southwest corner of Capitol Drive and North Gaffey Street. Staff will continue to monitor these projects in the future.

In April 2006, received another community newsletter from the developer of the *Ponte Vista* project, this one focusing on the senior housing component of the project. Staff also learned that Elise Swanson, the former Director of Community Development in Los Angeles City Councilwoman Janice Hahn's office, had left the Councilwoman's office and been hired by Bisno Development, the *Ponte Vista* developer. Mr. Bisno also recently addressed the Northwest San Pedro Neighborhood Council (NWSPNC), although Staff was unable to attend this meeting.

On May 8, 2006, the Northwest San Pedro Neighborhood Council (NWSPNC) received a brief presentation from Councilwoman Janice Hahn's Staff's regarding the task force that she is assembling. The 15-member task force will advise the Los Angeles city planner assigned to the *Ponte Vista* project. The task force is expected to begin meeting in June 2006. The Rancho Palos Verdes City Council recently appointed representatives from the *Rolling Hills Riviera*, *Peninsula Verde* and *Mira Vista* neighborhoods to the *Ponte Vista* task force. Also, at the May 8<sup>th</sup> NWSPNC meeting, a representative of Bisno Development stated that the Draft EIR for the project was expected to be released for public review by the end of June 2006.

The City recently received a newsletter regarding the active adult (i.e., senior) housing component of the proposed *Ponte Vista* project.

On August 10, 2006, the Los Angeles Councilwoman Janice Hahn's *Ponte Vista* Advisory Board convened its first meeting. The 13-member Board includes representatives of the *Peninsula Verde*, *Rolling Hills Riviera* and *Mira Verde* homeowners' associations in the City of Rancho Palos Verdes.

In opening remarks by Councilwoman Janice Hahn, she reiterated her position that 2,300 units were too much for the 62-acre site. In response, developer Bob Bisno expressed confidence that, through the specific plan process, he would demonstrate that this density was appropriate for the site. Los Angeles Principal City Planner Betsy Weisman briefly discussed the specific plan process, and its relationship to the city's General Plan and zoning regulations. She also noted that, as reported in the *Daily Breeze* and *Peninsula News* on August 10, 2006, the City of Los Angeles will be hiring a city planner who would be assigned specifically to the processing of the *Ponte Vista* project.

On September 14 and 21, 2006, the *Ponte Vista* Community Advisory Committee (PVCAC) held its second and third meetings, respectively. Staff was not able to attend the September 14<sup>th</sup> meeting, but from the agenda, we understand that it was primarily a "team building" meeting for PVCAC and its facilitator to identify general goals and objectives and work out how future meetings would be conducted.

The September 21<sup>st</sup> PVCAC meeting began with the distribution of a meeting schedule for the PVCAC that was prepared by the developer and the PVCAC chairman and facilitator. The schedule was immediately criticized as too aggressive, calling upon PVCAC to complete its review of the project's specific plan by March 2007. The developer distributed a binder of information submitted to the City of Los Angeles for its proposed general plan amendment, community plan amendment and zone change. Staff obtained one of these binders, and it is available for review during regular Planning Division public counter hours. The developer also stated that this information will be posted on the *Ponte Vista* website (<http://www.pontevista.com>). Los Angeles City Planning Staff also provided a brief overview of the specific plan process, although no specific plan documents have yet been provided to PVCAC. There was also discussion about the availability of the project's traffic study for public review. The developer stated that he was awaiting authorization from the City of Los Angeles Planning Department and Department of Transportation (LADOT) before releasing the study.

The draft environmental impact report (DEIR) for the *Ponte Vista* project was released on November 2, 2006, for a 90-day public comment period. Staff distributed a copy of the executive summary from the DEIR as late correspondence at the November 7, 2006, City Council meeting. The public comment period for the DEIR ends on January 30, 2007. Staff intends to prepare comments for the City Council's review on January 19, 2007. The DEIR is available for review on-line at:

<http://www.pontevista.com/deir/> and <http://cityplanning.lacity.org/>

The *Ponte Vista* Community Advisory Committee (PVCAC) met on November 9, 2006, and November 30, 2006, and began reviewing the DEIR. Much of the discussion focused on the traffic study and project alternatives. PVCAC met again on January 11, 2006, and conducted a public forum to accept input on the project's DEIR on January 18, 2006. Hundreds of people—both in support of and in opposition to the proposed project—were allowed to express their concerns directly to PVCAC. Both Staff and



Councilman Wolowicz addressed PVCAC expressing the City's concerns about the project. Los Angeles City Councilwoman Janice Hahn addressed PVCAC and forum attendees, stating that traffic was clearly the number one issue on everyone's list of concerns about the project, and pledging to continue to pressure the Navy to gain access from the project site directly to Gaffey Street. She also stated that she opposed LAUSD's proposal for a 2,025-seat high school on the site, suggesting that the District's needs could be better met with several smaller campuses on property that the District already owns and/or occupies in the Wilmington, Harbor City and San Pedro areas. The public comment period on the DEIR ended on January 30, 2007.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on February 8 and 27, 2007. At the February 8<sup>th</sup> meeting, Chairman John Greenwood a statement regarding PVCAC's concerns about the project's environmental impact analysis. However, the bulk of the meeting was devoted to a presentation by Los Angeles City Planning Staff regarding a proposed schedule of meetings to formulate the specific plan for the project. This process was set to begin at the February 27<sup>th</sup> meeting with a "Planning 101"-type overview of the specific plan process and basic urban design principles.

The PVCAC met on March 8 and 22, 2007. At the March 8<sup>th</sup> meeting, Los Angeles City Planning Staff facilitated the first part of a "visioning" workshop to identify the desired mix of residential, commercial, open space and linkages for the *Ponte Vista* project. PVCAC members broke into three (3) roundtable groups with Los Angeles Urban Planning Staff members. The vision plans bore some similarities to one another in terms of the mix of uses desired for the site, and all of them envisioned that some significant portion of the proposed residential units would be at a higher density than the current R-1 zoning would otherwise permit. At the March 22<sup>nd</sup> meeting, Los Angeles City Planning Staff further refined the site plans developed by the PVCAC members. The Committee reviewed and commented on the refined plans and also received a presentation from Los Angeles City Planning Staff regarding the demographics (i.e., population, housing, income, etc.) of the San Pedro Community Plan Area. During public comments, representatives of San Pedro Homeowners United and the San Pedro Peninsula Homeowners' Coalition expressed support for retaining the existing R-1 zoning of the *Ponte Vista* site. Rancho Palos Verdes Committee member Mark Wells also announced his resignation from PVCAC due to his appointment to the City's Traffic Safety Commission.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on April 12 and 26, 2007. At the April 12<sup>th</sup> meeting, Los Angeles City Planning Staff presented a composite site plan based upon the three (3) conceptual site plans and input provided by the Committee at the PVCAC meetings in March 2007. The composite site plan depicted higher density development around the perimeter of the project site, but with open space and ball fields along the southerly side. Small-scale mixed-used development was designated for the central portion of the site. The use of small groupings of attached single-family row houses along Western Avenue would preserve view corridors over the site. Accommodation was also made for the possible future site of a school. Members of the Committee were concerned that the composite plans still did not

identify specific densities for the site or the location of the seniors-only portion of the project. Several members of the public spoke in favor and in opposition to both the original project proposal and the composite site plan presented at the meeting. On the whole, almost no one was satisfied that the composite site plan was reflective of the direction that the Committee saw for the *Ponte Vista* site. At the April 26<sup>th</sup> meeting, PVCAC was scheduled to discuss traffic issues with Staff from the Los Angeles Department of Transportation (LADOT).

The *Ponte Vista* Community Advisory Committee (PVCAC) met on April 26, May 10 and May 22, 2007. At the April 26<sup>th</sup> meeting, Los Angeles Department of Transportation (LADOT) presented a summary of its additional analysis of the project's traffic study. Since the traffic study from the DEIR used existing traffic counts taken when Western Avenue was impacted by construction related to the sinkholes, new traffic counts were taken in March 2007. LADOT Staff stated that the new counts—which were higher at some locations and lower at others—did not change the basic conclusions of the developer's traffic study. However, LADOT Staff stated that the developer's use of a trip generation rate for a high-rise condominium resulted in much lower trip generation than would the use of a townhouse/condominium rate (such as was used for the *Playa Vista* project in West Los Angeles). The Committee asked LADOT to recalculate the trip generation for the project using more conservative assumptions, and determine if the proposed traffic mitigation would still be adequate to address the project's impacts. The Committee also began to discuss reaching consensus on certain key provisions of the project for its ultimate recommendations to Councilwoman Hahn. The majority of the Committee agreed that the project should include an access road for Mary Star-of-the-Sea High School, and a separate seniors-only component with transportation service for residents. However, several other key issues remained to be addressed.

At the May 10<sup>th</sup> meeting, the Committee received a follow-up report from LADOT. Based upon more conservative trip generation assumptions, LADOT concluded that the number of market-rate condominiums proposed would need to be reduced by more than one-quarter in order for the developer's currently-proposed mitigation measures to fully address the project's traffic impacts. The Committee also received a presentation from Los Angeles Unified School District (LAUSD) Staff regarding the proposed revisions to South Region High School No. 14 on the *Ponte Vista* site, which has now been scaled back from 2,025 seats to 810 seats. Finally, the Committee received a presentation from PVCAC member Jerry Gaines, based upon traffic data gleaned and studies from his experience with the Western Avenue Task Force.

At the outset of the May 22<sup>nd</sup> meeting, developer Bob Bisno announced that a revised project proposal would be announced publicly at the June 18, 2007, PVCAC meeting. PVCAC member Jerry Gaines then elaborated on his previous presentation regarding various development scenarios for the site, based upon their traffic impacts. These scenarios compared the average daily trips generated by various combinations of unit types and numbers as compared to the "by right" R-1 zoning that would permit four hundred twenty-nine (429) single-family homes. The scenarios also factored in LAUSD's proposed 810-seat high school. The Committee also discussed further

refinement of and public input on the issues of traffic mitigation measures and density. Upcoming PVCAC meetings are scheduled for June 7 and 18, 2007. The June 7<sup>th</sup> meeting is scheduled to focus on density and open space, while the June 18<sup>th</sup> meeting is scheduled to focus on the developer's revised proposal.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on June 7, June 18 and June 28, 2007. At the June 7<sup>th</sup> meeting, Committee Member Gerry Gaines discussed a recent meeting between the developer and a subcommittee of PVCAC to discuss additional traffic-related improvement that could be made. In addition to the mitigation measures identified in the draft EIR, these included the recommended intersection improvements from the Western Avenue Task Force, as well as the establishment of a transportation mitigation trust fund and a mitigation monitoring program. The Committee also began to discuss possible recommendations for the density and mix of housing types for the project, but tabled the matter until the developer announces his revised project propose on June 18, 2007.

At the June 18<sup>th</sup> meeting, Bob Bisno presented his revised project proposal. The table below summarizes the major project components in the original and revised proposals.

<b>Component</b>	<b>Original Project</b>	<b>Revised Project</b>	<b>Notes</b>
Senior Housing	575 units	850 units	Senior units will remain gated
Multi-family condos and townhomes	1,725 units	1,000 units	Non-senior units no longer gated
Single-family townhomes	N/A	100 units	
Total Dwelling Units	2,300 units	1,950 units	15% reduction
Commercial	10,000 SF (private)	10,000 SF (public)	No change, but now all accessible to the public
Parks/Open Space	6 acres (public) and 6 acres (private)	12 acres (public)	
Access Road	Connecting to Mary Star-of-the-Sea High School	Connecting to Mary Star-of-the-Sea High School	Possible connection to condos on Fitness Drive

Mr. Bisno stated that the revised project will include a "San Pedro First" program, which will give purchase priority and 5-percent price discounts to local residents and other "preferred buyers" (i.e., seniors, teachers, nurses, firefighters, police officers, port workers, etc.). The senior and non-senior condominium and townhouse units with shared garages are expected to range from 600 square feet to 2,200 square feet in size, with prices from \$330,000 to \$1,100,000. The single-family townhouse units with private garages are expected to range from 2,000 to 2,400 square feet in size, with prices from \$900,000 to \$1,100,000. As noted above, all of the parks and open space would now be open to the public. In addition, Mr. Bisno is exploring the possibility of providing access to the Fitness Drive condominiums from the Mary Star-of-the-Sea High School road. With respect to traffic impacts, Mr. Bisno will fund a \$1,000,000 trust fund

for intersection improvement projects on Western Avenue that were identified as priorities by the Western Avenue Task Force. A traffic signal will be added at Western Avenue and Peninsula Verde Drive, and computerized signal controls on Western Avenue will be extended further south from Weymouth Avenue to 25<sup>th</sup> Street. Mr. Bisno also agreed to pay an additional \$1,000,000 in traffic mitigation fees if the actual trip generation rates of the project exceed the projections of the project's traffic study.

The project's traffic consultant now estimates that the PM peak-hour trip generation for the revised project will result in fewer trips than a detached single-family project under the current R-1 zoning. However, the Committee and Los Angeles City Planning Staff were skeptical of Mr. Bisno's assumptions of the maximum number of detached single-family homes possible from the property under R-1 zoning. The Draft EIR for the project estimated that 430 homes could be built, based upon 5,000 square feet of lot area per unit per net acre. However, Mr. Bisno now asserts that 724 homes could be built, based upon 5,000 square feet of lot area per unit per gross acre, plus a 35-percent State-mandated density bonus for providing affordable housing units.

Los Angeles City Councilwoman Janice Hahn attended the meeting. She stated that she was "very disappointed" with the revised proposal, noting that after two (2) years of review and public comment, a 15-percent reduction in the number of units did not seem like much of a compromise on Mr. Bisno's part.

Following the presentation of the revised proposal, the Committee continued its discussion of recommendations for the project's specific plan. At this point, the Committee seems divided between a majority who appear to support a project of roughly 1,200 or fewer units, and a minority who support limiting the number of homes to the maximum number permitted under the current R-1 zoning (whatever that number ends up actually being). The division appears to be falling largely along jurisdictional lines, with Rancho Palos Verdes Committee members supporting the R-1 concept.

At the June 28<sup>th</sup> meeting, the Committee met in closed session to discuss the process to develop its recommendations for the specific plan. The next public PVCAC meeting is scheduled for July 24, 2007. Staff will continue to attend and report upon these meetings.

The *Ponte Vista* Community Advisory Committee (PVCAC) met on July 24, 2007. At that meeting, Chairman John Greenwood announced that the Northwest San Pedro Neighborhood Council (NWSPNC) has adopted a resolution supporting the current R-1 zoning of the *Ponte Vista* site. Subsequently, the Committee adopted two (2) resolutions. The first resolution rejected the developer's revised 1,950-unit project, which had been presented to the Committee and the public on June 18, 2007. The second resolution supported limiting the number of dwelling units to the maximum density permitted under the current R-1 zoning (roughly 429 to 535 units), and also recommended that the *Ponte Vista* site be "transferred" from the jurisdiction of the Wilmington-Harbor City Community Plan Area to the San Pedro Community Plan Area. The Committee also briefly reviewed its draft findings and recommendations to Los

Angeles City Councilwoman Janice Hahn on the specific plan for the site. The final PVCAC report is scheduled to be presented for the Committee's consideration and approval on August 20, 2007, which will be its final meeting.

As the City Council directed on August 7, 2007, a letter was sent to Los Angeles City Councilwoman Janice Hahn, support the resolutions adopted by the Committee. The *Ponte Vista* Community Advisory Committee (PVCAC) met for the final time on August 20, 2007. At that meeting, the Committee presented its draft final report. There were some minor modifications discussed by the Committee at the meeting that will be incorporated into the final version of the report. It should also be noted that the report included a "minority opinion" signed by five (5) of the thirteen (13) Committee members. On the whole, the Committee expressed dissatisfaction with the support provided by the City of Los Angeles over the year that the Committee deliberated, particularly the Department of Transportation.

The City of Los Angeles Planning Department continues to process Bisno Development's revised 1,950-unit proposal, including the completion of the project EIR. Staff will continue to monitor this project and report on it in future Border Issues reports.

At the invitation of its chairman, Staff attended the monthly meeting of the Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) on November 29, 2007. Among the topics discussed—focusing mainly on development projects along the Western Avenue corridor in Rancho Palos Verdes—was a request for the City to formally ask for the Draft EIR for the *Ponte Vista* project to be recirculated. On December 12, 2007, Staff received a similar request from Mark Wells, former member of the *Ponte Vista* Community Advisory Committee and current Rancho Palos Verdes Traffic Safety Commissioner. Although Staff believes that the Draft EIR should probably be recirculated, rather than allowing the developer to simply address these issues in the "Response to Comments" in the Final EIR, at this time the City of Los Angeles (i.e. the lead agency) has not determined whether or not the document will be recirculated. If the City of Los Angeles decides not to recirculate the Draft EIR, Staff will bring this matter back to the City Council for possible action in the form of a letter to the City of Los Angeles.

On June 2, 2008, the City received notice that a public hearing would be held on the proposed *Ponte Vista* project in the City of Los Angeles. The public hearing was held on June 26, 2008, and was conducted by the City of Los Angeles' local Advisory Agency and Hearing Officer for the purpose of accepting public testimony only. This hearing was a precursor to future public hearings before the Los Angeles City Planning Commission and the Los Angeles City Council. In the past, 15<sup>th</sup> District Los Angeles City Councilmember Janice Hahn has gone on record as opposing the project as currently proposed.

On June 13, 2008, the City received notice for the Final Environmental Impact Report (FEIR) for the *Ponte Vista* project. The FEIR must be certified by the Los Angeles City Council before any final decision is made on the project.

Councilman Wolowicz and Staff attended the *Ponte Vista* public hearing on June 26, 2008, and presented our concerns to the Hearing Officer. Los Angeles City Councilwoman Janice Hahn was also in attendance and reiterated her support of the recommendations of her *Ponte Vista* Community Advisory Committee, rejecting the 1,950-unit project and supporting the current R-1 density on the site. The deadline to submit comments to the Hearing Officer was extended to Friday, July 11, 2008. A letter from the Mayor was sent to the City of Los Angeles. The *Ponte Vista* project is not expected to be heard by the Los Angeles City Planning Commission until October 2008.

On August 18, 2008, Staff received a copy of an e-mail exchange between Rancho Palos Verdes resident April Sandell and Los Angeles City Planner David Olivo regarding our City's authority over *Ponte Vista* traffic mitigation measures within our jurisdiction. In his reply, Mr. Olivo stated that "any mitigation measures that occur within [Rancho Palos Verdes'] boundaries need to be approved by [Rancho Palos Verdes]." However, Staff and the City Attorney have reviewed this issue and believe that the matter is not free from doubt.

As discussed in the Draft EIR, the proposed traffic mitigation measures within the Rancho Palos Verdes segment of Western Avenue are limited to synchronization of all signalized intersections and the addition of (one) 1 northbound lane along the project frontage. There are also modifications proposed to Traffic Study Intersection Nos. 18 (Western Avenue and Avenida Aprenda) and 19 (Western Avenue and Delasonde Drive). These modifications propose restriping on Avenida Aprenda and Delasonde Drive within our City limits to add left-turn lanes. Furthermore, the proposed modifications on Delasonde Drive are expected to result in the loss of three (3) on-street parking spaces on each side of the street. In our comments on the Draft EIR, we expressed concern about the loss of these six (6) on-street parking spaces on Delasonde Drive and its impact upon the *Rolling Hills Riviera* neighborhood. These are the only mitigation measures within our City limits that were identified in the Draft EIR as being necessary to reduce the project's traffic impacts to less-than-significant levels.

In response to great public skepticism about the project's traffic study, as well as discussion by Councilwoman Hahn's *Ponte Vista* Community Advisory Committee, the developer eventually volunteered to fund the right-of-way improvements that were identified in the report prepared by the Western Avenue Task Force (WATF). This was offered as appeasement to the community, but the WATF-recommended "mitigation" is not necessary to reduce the traffic impacts of the project to less-than-significant levels (based upon the developer's traffic study and the Draft EIR). The developer has also volunteered to install a traffic signal at Western Avenue and Peninsula Verde Drive, which was also not a mitigation measure identified as necessary in the Draft EIR.

Western Avenue is a state highway (State Route 213) and its right-of-way is under the jurisdiction of CalTrans. As such, the City does not have the authority to approve or deny any of the proposed traffic mitigation measures within the Western Avenue right-of-way. CalTrans reviewed and commented upon the Draft EIR, but its comments give

no indication that CalTrans would not approve the proposed mitigation measures within its jurisdiction. It should also be noted that, although some of the WATF recommendations include modifying private driveway access points along Western Avenue within the City—over which we would retain jurisdiction—the developer's offer to make these improvements is completely voluntary because they are not proposed as mitigation measures. As such it appears that the only required traffic mitigation measures over which the City has any direct authority are the proposed re-striping projects to create left-turn lanes on Avenida Aprenda and Delasonde Drive. Our City's refusal to allow these modifications to be made could force the developer to find other ways to mitigate traffic impacts to less-than-significant levels, or could force the Los Angeles City Council to consider adopting a "Statement of Overriding Considerations" with respect to traffic impacts for the Final EIR. Given these circumstances, our City's refusal to allow these mitigation measures to be implemented might not be sufficient to prevent the City of Los Angeles' approval of the *Ponte Vista* project. Accordingly, if the City of Los Angeles were to certify the EIR and approve the project, litigation challenging those decisions is an option that the City Council would need to consider in order to prevent the project from proceeding.

The work plan for the Traffic Safety Commission, which the City Council approved at the August 19<sup>th</sup> meeting, included having the Commission conduct a "public forum" regarding the traffic impacts of this project. The City Council could direct the City's Traffic Engineer to review and evaluate the traffic studies that were prepared in connection with the EIR and prepare a report for the Commission to review. If the Traffic Engineer finds that the traffic analysis and proposed mitigation set forth in the EIR are inadequate, that report could be presented to the City of Los Angeles. Although the public comment period on the EIR has been closed (so that the City of Los Angeles could assert that it is too late for the report to be submitted), the report could provide further support for the positions that the City of Rancho Palos Verdes already has asserted, and could be used by the City to buttress its position in a lawsuit challenging the certification of the EIR and approval of the project, if that were to occur.

As a part of the recently-approved work plan for the Traffic Safety Commission, the Commission conducted a "public forum" regarding the potential traffic impacts of the proposed *Ponte Vista* project at its regular meeting on September 22, 2008. The meeting was attended by roughly a dozen concerned citizens, including the representatives of the "R Neighborhoods Are 1" group, the Northwest San Pedro Neighborhood Council and the former *Ponte Vista* Community Advisory Committee. Public comments focused upon the perceived inadequacies of the traffic impact analysis and proposed mitigation measures identified in the *Ponte Vista* EIR. The City's Traffic Engineer was in attendance at the meeting, but she had not yet completed her review of the traffic impact analysis and proposed mitigation. However, she will be preparing a summary report of her review of the project EIR and the public comments that were received at the Traffic Safety Commission meeting. In addition, there will be minutes of the meeting to memorialize the comments of the public and members of the Traffic Safety Commission.

On a related note, Staff was informed that the City of Los Angeles' Citywide Planning Commission (CPC) is tentatively scheduled to hold a public hearing on the *Ponte Vista* project on December 11, 2008. A public hearing before the Harbor Area Planning Commission will be held sometime just before the CPC hearing, but the exact date has not yet been set by early October 2008.

The City's Traffic Engineer completed her review of the traffic impact analysis and proposed mitigation for the *Ponte Vista* project on October 22, 2008. The major conclusions of this review were that:

- The traffic impact analysis is technically adequate and contains "no obvious errors in...methodology or conclusions....";
- The reduced 1,950-unit project will have less impact on Rancho Palos Verdes residents than the original 2,300-unit proposal, but these impacts will still be significant; and,
- The proposed parking for the Little League baseball fields will not be adequate without additional mitigation measures.

On a related note, Staff received confirmation of two (2) upcoming public hearings on the *Ponte Vista* project. A public hearing before the Harbor Area Planning Commission (HAPC) will be held on Tuesday, November 18, 2008, at 4:30 PM at the Port of Los Angeles administrative offices, 425 S. Palos Verdes St., San Pedro, CA 90731. A public hearing before the City of Los Angeles' Citywide Planning Commission (CPC) will be held on Thursday, December 11, 2008, at 8:30 AM at Los Angeles City Hall, 200 N. Spring St., Los Angeles, CA 90012. It should be noted that, on October 21, 2008, the Coastal San Pedro Neighborhood Council asked the Los Angeles City Attorney to opine on potential conflicts of interest for three (3) HAPC members. If these Commissioners all recuse themselves, there may not be a quorum present to consider the *Ponte Vista* project at the November 18, 2008 public hearing. Staff planned to attend both public hearings.

On November 6, 2008, the City received notice that the vesting tentative tract map (VTTM 63399) associated with the *Ponte Vista* development entitlements had been denied by the City of Los Angeles Advisory Agency. In denying VTTM 63399, the Hearing Officer for the Advisory Agency found that:

- The proposed subdivision map was inconsistent with the Wilmington-Harbor City Community Plan with respect to the proposed density of the development relative to surrounding neighborhoods;
- The design of the proposed subdivision was inconsistent with the Wilmington-Harbor City Community Plan with respect to its lack of access to major commercial centers and transit routes;
- The project site was not suitable for the type of development proposed, particularly with respect to certain designated open-space lots; and,
- The project site was not suitable for the proposed density of development when compared to surrounding neighborhoods.



The Advisory Agency's decision was appealable to the City of Los Angeles Citywide Planning Commission (CPC). Staff has been advised that the project developer has filed an appeal of the denial of VTTM 63399.

On November 12, 2008, the City was advised that the venue for the upcoming public hearing before the Harbor Area Planning Commission (HAPC) on November 18, 2008, had been changed from the Port of Los Angeles headquarters to the Warner Grand Theatre in San Pedro. However, on November 14, 2008, the City received notice that the HAPC meeting was canceled without explanation. Los Angeles City Planning Staff indicated that the hearing might be rescheduled or might not be held at all, since the function of the hearing is solely to accept testimony and forward comments (but not recommendations) to the CPC. On November 20, 2008, Staff learned that the HAPC hearing has apparently been rescheduled for Tuesday, December 2, 2008, at 4:30 PM at the Boys' and Girls' Club, 100 W. 5<sup>th</sup> St., San Pedro, CA 90731.

On November 21, 2008, the Los Angeles City Planning Department released the draft Staff report for the December 11, 2008, public hearing before the Los Angeles City Planning Commission (CPC). The draft Staff report recommends denial of the *Ponte Vista* project as proposed, on the basis of inconsistency with the Los Angeles General Plan Framework and the Wilmington-Harbor City and San Pedro community plans, as well as the latest and best trends and practices in urban in-fill development. The draft report also recommends denying the developer's appeal of the recent denial of the vesting tentative tract map associated with the project, and recommends not certifying the project's EIR. The report goes on to offer constructive guidelines to revise the *Ponte Vista* project so as to achieve a design that would be more compatible with the surrounding communities in both San Pedro and Rancho Palos Verdes. These guidelines include limiting the density of the project so as to allow between 775 and 886 dwelling units on the site.

Shortly after the release of the draft Staff report recommending denial of the project, the developer asked for the continuance of the December 11, 2008, CPC public hearing. On December 1, 2008, the Los Angeles City Planning Department agreed to reschedule the CPC hearing for February 12, 2009. In the meantime, however, the project was still set for HAPC review on December 2, 2008.

As reported previously, project opponents had challenged the HAPC's authority to conduct a public hearing on the *Ponte Vista* project on the basis that three (3) of the five (5) Commissioners had conflicts of interest. The matter was referred to the Los Angeles City Attorney's office. Ultimately, two (2) Commissioners recused themselves from discussion of the project. In addition, one Commissioner resigned from the HAPC (reportedly for reasons not related to the *Ponte Vista* project) and another was unable to attend the December 2, 2008, meeting. Therefore, the only Commissioner available and eligible was HAPC President Michael Ponce.

On December 2, 2008, HAPC President Ponce conducted a “special meeting,” accompanied by HAPC Staff and representatives of the Los Angeles City Planning Department. Planning Staff presented an overview of the draft Staff report and recommendation. The developer’s legal counsel appeared briefly but made no presentation. Among the crowd of roughly a hundred (100) people, there appeared to be no project supporters or members of the developer’s public outreach team. Of the twenty (20) or so public speakers, only the developer’s attorney spoke in favor of the project. The other speakers—including representatives of the Northwest and Coastal San Pedro neighborhood councils, the cities of Rancho Palos Verdes and Lomita, and several homeowners’ associations—all voiced support for the draft Staff report. Los Angeles City Councilwoman Janice Hahn was also in attendance, and she encouraged the developer to carefully consider Planning Staff’s recommendations and to revise the project accordingly. At the conclusion of public testimony, HAPC President Ponce “discussed” the matter and made a “recommendation” in support of Councilwoman Hahn’s comment, although he noted that he believed that the maximum permitted density of the project should be allowed to exceed the current R-1 zoning.

On December 12, 2008, the *Daily Breeze* reported that developer Bob Bisno had been “ousted” by the project’s major investor, Credit Suisse. Shortly after the first of the year, the *Ponte Vista* website stated that the developer intended to ask for a continuance of the February 12, 2009 CPC hearing. On January 12, 2009, Staff confirmed that the CPC hearing on *Ponte Vista* had been rescheduled for Thursday, April 9, 2009, at 8:30 AM at Los Angeles City Hall, 200 N. Spring St., Los Angeles, CA 90012. The CPC will consider both the development applications and the appeal of the vesting tentative tract map denial.

On February 3, 2009, Staff was contacted by the head of the developer’s public outreach team, Elise Swanson, to set up stakeholder interviews regarding the revised *Ponte Vista* project. Staff and Mayor Pro Tem Wolowicz were scheduled to meet with the interview facilitator on February 25, 2009. As of the date that this report was completed, Mayor Clark was also attempting to schedule a meeting with the facilitator.

An open house to solicit input on the revised project from the general public was scheduled for Thursday, March 12, 2009 from 4:00 PM to 8:00 PM at Peck Park Community Center, 560 N. Western Ave., San Pedro, CA 90732. In addition, as of the date of this report the Los Angeles Citywide Planning Commission (CPC) is still scheduled to consider the *Ponte Vista* project on Thursday, April 9, 2009.

On February 25, 2009, Staff and Mayor Pro Tem Wolowicz met with the developer’s interview facilitator, Jim Oswald. We expressed our continued concerns about the traffic impacts and proposed density of the project. We again suggested that the project’s Environmental Impact Report (EIR) was flawed and needed to be revised and recirculated by the City of Los Angeles. We recommended that the developer make a more concerted effort to obtain alternate access to the project site from Gaffey Street so as to relieve the traffic burden on Western Avenue. We noted that the previous developer’s “threat” of invoking State density bonus law had only served to antagonize

the community and introduce greater uncertainty into the project. We expressed skepticism at the developer's ability to respond to stakeholders' comments and revise the project accordingly in time to have the matter heard by the Los Angeles Citywide Planning Commission (CPC) on April 9, 2009. We also expressed our disappointment at the previous developer's disingenuous "public outreach" efforts, and our hope that the new development team would truly take the community's concerns about the project to heart.

An open house to solicit input on the revised project from the general public was held on March 12, 2009, at Peck Park in San Pedro. Staff attended the open house for about an hour. There was no formal presentation; instead the developer set up "stations" around the room to solicit public input on specific topics and issues. The developer did not present a detailed revised plan or project description. However, the developer did state that the revised "land-use plan" would include the following:

- A total unit count of 1,375 to 1,475 units, consisting of:
  - 625 to 700 townhomes
  - 300 to 450 age-restricted (i.e., senior) condominiums
  - 350 to 425 non-age-restricted condominiums
- A set-aside of twenty percent (20%) of all units as "workforce housing," but no statutorily affordable units or density bonus request
- 8,000 to 10,000 square feet of commercial space available to residents and the general public
- Elimination of youth baseball fields
- Building heights, residential density and number of access points on Western Avenue in excess of the Los Angeles Planning Department's recommendations

A second community open house was scheduled for Saturday, March 28, 2009, at the Boys' and Girls' Club in San Pedro. As of the date that this report was completed, the developer still intended to present the revised project to the Los Angeles Citywide Planning Commission (CPC) on April 9, 2009.

On March 28, 2009, Staff attended the developer's second open house for the revised *Ponte Vista* project. At the developer's previous open house on March 12, 2009, the developer only provided a possible range of units, indicating the project would be reduced from 1,950 units to between 1,375 and 1,475 units. At the March 28<sup>th</sup> open house, the developer confirmed that the revised project now proposes 1,395 units, consisting of 630 townhomes, 385 condominiums and 380 age-restricted (i.e., senior) condominiums.

On April 9, 2009, Staff and Mayor Pro Tem Wolowicz attended the Los Angeles City Planning Commission (CPC) meeting on downtown Los Angeles. Los Angeles City planning Staff presented their recommendation to deny the 1,950-unit proposal and the related appeal of the tentative tract map. The developer presented an overview of the new 1,395-unit proposal to the CPC, asking for "approval in concept" of this revised proposal in spite of the fact that it had not yet been reviewed by Planning Staff. The

developer also stated that he was willing to waive his right to request a density bonus pursuant to SB 1818.

Los Angeles City Councilwoman Janice Hahn addressed the CPC, stating that she supports the Planning Staff's recommendation of 775 to 886 units on the *Ponte Vista* property. She acknowledged that the developer's revised proposal was a step in the right direction, but stated that the size of the project had still not been reduced enough. She stated that the traffic study for the project must be re-done. She asked for an opinion from the City Attorney regarding the enforceability of the developer's offer to waive his rights under SB 1818. She also questioned if the ATSAC improvements for Western Avenue were already funded, and if so, could the monies that the developer proposed to expend to implement ATSAC be spent on other traffic mitigation.

Mayor Pro Tem Wolowicz addressed the CPC, providing an overview of our city's past comments and concerns about the *Ponte Vista* project. He stated that the developer's proposal to reduce the size of the project was still not adequate to address the adverse impacts that the project would have upon residents and businesses in both San Pedro and Rancho Palos Verdes. He observed that Western Avenue has no excess capacity to absorb the traffic from the *Ponte Vista* project as currently proposed, and stated that our city supported the Planning Staff's recommendations. A representative of the City of Lomita also addressed the CPC and expressed similar concerns to our own. The CPC then received roughly one-half hour each of public comments from project proponents and opponents.

After closing the public hearing, the CPC questioned Planning Staff and deliberated for another half-hour or so. At the conclusion of its deliberations, the CPC unanimously accepted the Planning Staff recommendation to reject the 1,950-unit proposal and the related appeal of the tentative tract map. Included in the motion, however, was direction for Planning Staff to continue to work with the developer on the revision of the project to implement Planning Staff's recommendations. A status report is expected to be presented to the CPC at its regular meeting on Thursday, August 13, 2009. Staff intends to attend this meeting.

On June 3, 2009, the *Daily Breeze* reported that the new development team for the *Ponte Vista* project was launching another round of community interviews to solicit public input on the revised 1,395-unit proposal. Staff has not been contacted for additional input, nor is Staff aware that any City officials have been approached by the *Ponte Vista* development team. At this time, the Los Angeles Citywide Planning Commission (CPC) is still scheduled to receive a status report on the revised project on August 13, 2009.

On August 4, 2009, Planning Staff and the City Manager met with the developer's interview facilitator, Jim Oswald. We expressed our continued concerns about the traffic impacts and proposed density of the revised 1,395-unit project. Mr. Oswald indicated that the developer was in discussions with the Department of City Planning on a proposal with fewer units, although no firm number had yet been reached. He also

indicated that the project's Environmental Impact Report (EIR) was going to be revised and recirculated by the City of Los Angeles. Mr. Oswald said that the developer hoped to have a revised proposal to present to the public by Fall 2009.

On August 13, 2009, the Los Angeles City Planning Commission (CPC) received a status update on the project from the Department of City Planning. Since there was no formal revised project to be discussed by the CPC, Staff did not attend the meeting. However, we understand that the project planner, David Olivo, told the CPC that Planning Staff has met several times with the developer to go over development concepts in light of the Planning Staff-recommended guidelines and parameters that were presented to the CPC at the previous public hearing in April 2009. Mr. Olivo said that he expects another couple of months of dialogue with the developer before the revised project is finalized and the revised EIR is re-circulated.

On September 8, 2009, the *Daily Breeze* reported that former *Ponte Vista* developer Bob Bisno had filed for bankruptcy.

On April 2, 2010, the *Ponte Vista* development team announced that the ownership of the property had been assumed by iStar Financial, Inc., which has been the primary lender for the project since 2005. The iStar subsidiary "SFI Bridgeview, LLC" will continue to pursue entitlements to redevelop the 62-acre former Navy housing site located at 26900 South Western Avenue in San Pedro. According to a report in the *Daily Breeze* on April 6, 2010, a revised project proposal for the site may be announced by the new developer by this summer.

On September 24, 2010, the *Daily Breeze* reported that iStar Financial, the latest owners of the *Ponte Vista* project, were announcing that the revised project to be presented to the City of Los Angeles would now encompass 1,135 units. Most recently, the previous project owners had stated in June 2009 that the project would include 1,395 units, reduced from previous proposals for 1,950 units in June 2007 and 2,300 units in July 2005. Reportedly, Los Angeles City Councilwoman Janice Hahn received word of the reduced project proposal favorably, stating that it was "much closer to what makes sense in this part of San Pedro." The developer indicated that a new EIR will be prepared and circulated for this revised proposal. However, only a few days after announcing the revised project, the *Daily Breeze* and other media outlets reported that iStar Financial was considering a bankruptcy filing.

On October 19, 2010, legal counsel for the new owners of the *Ponte Vista* project contacted Staff about meeting with the Mayor to present the revised proposal to him and to Planning Staff. Apparently, there is also a "scoping meeting" scheduled for the new project EIR on November 10, 2010 at Peck Park in San Pedro. As of the date that this report was completed, the City had received no formal notice of this upcoming meeting or any details about the revised project.

Subsequent to the completion of the November 2010 Border Issues Status Report, Staff received the Notice of Preparation (NOP) for the Environmental Impact Report (EIR) for

the revised *Ponte Vista* project, which has now been reduced to 1,135 units. Staff also received a copy of the Initial Study (IS) for the revised proposal on November 10, 2010. A public meeting to receive input on the scope of the project EIR was scheduled for November 10, 2010, at Peck Park, with written comments on the scope of the revised project EIR due to the City of Los Angeles by November 29, 2010.

The table below briefly summarizes the differences between the current 1,135-unit proposal by iStar Financial; the previous 1,395-unit proposal by Credit Suisse from 2008; and the original 2,300-unit proposal by Bisno Development from 2005.

<b>Project Component</b>	<b>2003 Proposal</b>	<b>2008 Proposal</b>	<b>Current Proposal</b>
Senior housing	575 units	380 units	N/A
Multi-family condos and townhomes	1,725 units	1,015 units	600 units
Single-family homes	N/A	N/A	143 units
Apartments	N/A	N/A	392 units
Total dwelling units	2,300 units	1,395 units	1,135 units
Residential density	37.4 DU/acre	22.7 DU/acre	18.5 DU/acre
Commercial	10,000 SF	8,000 SF	N/A
Parks/open space	6 acres (public) & 6 acres (private)	12 acres (public)	2.8 acres (public) & 2.0 acres (private)
Access road	Access road to be provided connecting Western Avenue to Mary Star-of-the-Sea High School		

On November 10, 2010, the scoping meeting for the revised 1,135-unit *Ponte Vista* project was held at Peck Park in San Pedro. The “scoping meeting” was conducted as an open house hosted by the developer’s public relations/community outreach team. Key points regarding the revised proposal that Staff noted at this meeting included:

- The developer will be asking the City of Los Angeles for the approval of a General Plan Amendment, a Zone Change, a Specific Plan, a Vesting Tentative Tract Map and a Development Agreement, the environmental effects of which will be analyzed in the revised EIR.
- The developer no longer proposes to voluntarily implement the various recommendations (i.e., turn lanes, acceleration/deceleration lanes, driveway modifications, etc.) of the Western Avenue Task Force as traffic impact mitigation for the project, unless such mitigation measures are identified as necessary in the revised traffic impact analysis.
- As with the previous proposals, no site access from Gaffey Street—vehicular or otherwise—is contemplated.
- The 143 single-family units proposed will probably be detached condominium units rather than “traditional” detached single-family residences.

- For the revised traffic impact analysis, the 392 apartment units proposed will be analyzed assuming higher trip-generation rates than the other 743 for-sale units, even though the apartment units will be identical to condominium units elsewhere in the project.
- Although there are no age-restricted or statutorily affordable housing units proposed in the revised project, the developer is still maintaining that some units will be “accessible” to senior citizens and/or “affordable” as “workforce housing.”
- Based upon current and anticipated future real estate market conditions, the developer expects build-out of the revised project to take seven (7) years.

On November 17, 2010, Staff forwarded comments on the NOP for the revised project to the City of Los Angeles, prior to the close of the public comment period on November 29, 2010. Many of these comments echoed those from 2005 on the NOP for the original 2,300-unit proposal. Based upon conversations with the developer’s representatives at the scoping meeting, Staff does not expect to see the revised Draft EIR for the project released for public review and comment until Spring 2011.

On January 11, 2011, Elise Swanson, most recently a member of the *Ponte Vista* development team, advised Staff that she was returning to Los Angeles City Councilwoman Janice Hahn’s staff as Deputy Chief of Staff. Ms. Swanson was previously on Councilwoman Hahn’s Staff in the early- to mid- 2000s, but left to join the Bisno Development team in about 2005.

On February 24, 2011, the Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) received a presentation on the preparation of the new traffic study for the revised, 1,135-unit *Ponte Vista* project. The developer’s traffic consultant reviewed the methodology to be employed in the preparation of the report, including the gathering of new traffic count data in Fall 2010; the new trip-generation assumptions to be used for the project; and the addition of several more study intersections (based upon public comments on the traffic study for the previous proposal), including Western Avenue and Peninsula Verde Drive. A follow-up session to present preliminary traffic study results to the Planning and Land Use Committee was tentatively scheduled for March 24, 2011.

The City’s Public Works Staff was contacted by the *Ponte Vista* developer’s engineer to inquire about connecting that development’s sewage outfall to Rancho Palos Verdes’ sewage collection system as a means to access the Los Angeles County Sanitation Districts’ (LACSD) trunk line, pumping station and (ultimately) treatment facility. Doing so would subject Rancho Palos Verdes to liability and responsibility for the consequences of overflows in those lines, including potential clean up costs, system improvements and regulatory fines. Public Works Staff did not believe it would be appropriate for a development outside of Rancho Palos Verdes to use the City’s sewage collection system to transmit sewage to LACSD facilities. Community Development Staff concurred with this assessment.

Public Works Staff subsequently contacted the Los Angeles County Department of Public Works (LADPW), who maintains our City's sewer system, as well as LACSD, and has advised them both of the City's position in this matter. LADPW Staff opined that the development's collection system leading to the trunk line should become the responsibility of the City of Los Angeles, in which the development is actually located. As such, Public Works Staff advised the developer's engineer to contact LACSD to pursue a direct connection to the LACSD trunk line in Western Avenue.

On November 17, 2011, the developer's traffic consultant presented preliminary findings from the traffic study for the *Ponte Vista* project to the Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC). At this time, the City of Los Angeles Department of Transportation (LADOT) has not yet approved the traffic study's assumptions and the Draft Environmental Impact Report (DEIR) is not expected to be released for public review and comment until the first quarter of 2012. Nevertheless, the preliminary findings of the traffic study have identified significant impacts at four (4) Western Avenue intersections that are located (at least partially) within Rancho Palos Verdes: Peninsula Verde Drive, Avenida Aprenda, Delasonde Drive/Westmont Drive and Trudie Drive/Capitol Drive. In order to mitigate these impacts to less-than-significant levels, it is likely that right-of-way modifications (i.e., restriping, narrowing the median, adding/modifying traffic signals, etc.) will be required, some of which could occur within Rancho Palos Verdes' jurisdiction and would require our concurrence prior to implementation. Staff will continue to monitor this project in future Border Issues reports.

On December 13, 2011, Staff was alerted by the Northwest San Pedro Neighborhood Council (NWSPNC) that the release of the Draft Environmental Impact Report (DEIR) for the 1,135-unit *Ponte Vista* project is anticipated for March 2012. If so, Staff expected to have a more detailed report on the DEIR as a part of the April 2012 Border Issues report.

On August 25, 2012, the *Daily Breeze* reported that the release of the Draft Environmental Impact Report (DEIR) for the 1,135-unit *Ponte Vista* project is anticipated by October 2012. If so, Staff expects to provide a more detailed report on the DEIR as a part of the December 2012 Border Issues report.

On November 8, 2012, the City of Los Angeles released the Draft EIR (DEIR) for the revised, 1,135-unit *Ponte Vista* project at the former Navy housing site on Western Avenue in San Pedro. Among the alternatives analyzed in the DEIR are:

- A 385-unit single-family alternative that is consistent with the current R-1 zoning; and,
- An 830-unit proposal that is consistent with previous Los Angeles Planning Department Staff recommendations.

The public comment period for the DEIR is scheduled to end on Monday, January 7, 2013, at 4:00 PM. City Staff will be reviewing the DEIR and submitting comments prior



to the end of the public comment period. The DEIR and appendices may be reviewed on-line at the following link:

<http://planning.lacity.org/eir/PonteVistaProj2/DEIR/DEIR%20Ponte%20Vista%20Project.html>

Staff attended the Northwest San Pedro Neighborhood Council (NWSPNC) Board Meeting on November 12, 2012, to hear a presentation by the project developer. The presentation was somewhat confusing in that the site plan of the developer's 1,135-unit proposal did not match the proposed 1,135-unit project that is depicted and described in the DEIR. Upon further research, Staff found that the plan presented by the developer is actually Alternative D, which is a revised version of the 1,135-unit project that has been modified to avoid an earthquake fault running through the property. Alternative D does not include the 2.8-acre public park and other public amenities that are described in the DEIR as a part of the "proposed" project. There was also a great deal of discussion by the developer regarding Alternative C, which is the revised 830-unit plan that is purportedly consistent with the Los Angeles City Planning Department's previous recommendations for the site. It appears to Staff that it is the developer's preference to obtain entitlements to build either Alternative C or Alternative D rather than the "proposed" project described in the DEIR.

During December 2012, Staff attended several meetings of the Northwest San Pedro Neighborhood Council (NWSPNC) to review the plans and Draft EIR (DEIR) for the *Ponte Vista* project. On Monday, January 7, 2013—the end of the public comment period—Staff submitted comments on the DEIR to the City of Los Angeles.

Our comments begin by pointing out discrepancies between the 1,135-unit "proposed" project and the project Alternatives C and D being promoted by the developer in the media and in public forums. We then cited concerns with respect to the assessment of aesthetics, geology, hazards, land use, noise, housing/population, public services (schools and recreation), transportation/traffic and wastewater.

Staff was provided with copies of DEIR comments from several other stakeholder groups. They include:

- Northwest San Pedro Neighborhood Council
- "R Neighborhoods R1"
- City of Lomita
- City of Rolling Hills Estates
- Palos Verdes-South Bay Group/Angeles Chapter, Sierra Club
- Barbara and Al Sattler
- Janet Gunter

Shortly after the end of the public comment period, the developer formally announced that it would pursue the 830-unit proposal described as Alternative C in the DEIR. The *Daily Breeze* and *PV News* also reported on this announcement, which came as no surprise to Staff.

Since submitting comments on the Draft EIR (DEIR) for the *Ponte Vista* project in January 2013, the Northwest San Pedro Neighborhood Council (NWSPNC) has been reviewing the draft specific plan for the project. Since most of these recent meetings have been held on weekends, Staff has not been able to participate. However, we understand that NWSPNC is planning to conduct a community workshop of the specific plan sometime in the near future, which Staff will try to attend. On March 24, 2013, the *Daily Breeze* reported on NWSPNC's concerns about the specific plan.

On June 27, 2013, the City of Los Angeles released the Final Environmental Impact Report (FEIR) for the *Ponte Vista* project on Western Avenue in San Pedro. The FEIR and appendices are available for review on-line at the following link:

<http://planning.lacity.org/eir/PonteVistaProj2/FEIR/FEIR%20Ponte%20Vista%20Project.html>

Staff posted a link to PDFs of the FEIR and appendices under the "Spotlight" feature on the City's home page, and the FEIR was also made available for review in digital form at the Miraleste Branch Library on Palos Verdes Drive East.

Although the 1,135-unit plan is still officially the "proposed" project, the FEIR makes it clear that it is the developer's intention to pursue the reduced-density, 830-unit proposal (Alternative 'C'). The FEIR includes detailed analysis of two (2) additional alternatives: a 169-unit detached, single-family alternative that complies with the current site zoning (R1-1XL and OS-1XL); and a 477-unit mixed-use alternative that includes commercial and office space, a branch library and a 6-acre public park. However, both of these new alternatives are rejected as financially infeasible. The FEIR also includes a detailed summary and analysis of the project's relationship to the Rancho LPG facility.

A public hearing on the development entitlements and FEIR before the Deputy Advisory Agency and the City Planning Commission Hearing Officer was initially scheduled for Wednesday, July 24, 2013, at 10:00 AM at Los Angeles City Hall on Downtown Los Angeles. Mayor Brooks contacted Los Angeles City Councilman Joe Buscaino to ask for a change of venue for the public hearing, as had been done for the previous 2,300-unit *Ponte Vista* proposal in 2008-2009. On July 3, 2013, Staff learned that the *Ponte Vista* hearing had been moved to the Port of Los Angeles Administration Building in Downtown San Pedro at 10:00 AM on Tuesday, July 30, 2013. Staff immediately notified subscribers to our Border Issues listserve group of these changes. However, it should also be noted that the purpose of the public hearing is only to receive public testimony on the development entitlements and FEIR. Based upon public comment submitted at the hearing, a Staff report and recommendation will be prepared for the consideration of the Los Angeles City Planning Commission at a future date. The project will also need to be approved by the Los Angeles City Council.

On July 1, 2013, the Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) met to discuss the *Ponte Vista* FEIR. At that meeting, the developer's community outreach representative reported that the 830-unit proposal had been further modified to:

- Provide a 3.5-acre open space/park area along the access roadway to Mary Star-of-the-Sea High School;
- Incorporate a business center into the proposed resident community center;
- Allow for an on-site daycare center within the project site; and,
- Provide an emergency egress driveway from the adjacent Seaport Townhomes condominiums.

Even with these further modifications, the NWSPNC remained concerned about the FEIR and the proposed project and specific plan. However, NWSPNC refrained at that time from expressing formal opposition to the project in the interest of maintaining open lines of communication with the developer.

Shortly after the July 1<sup>st</sup> NWSPNC meeting, the developer's community outreach team contacted Staff about meeting to discuss our City's concerns about the project. Although we were unable to arrange a meeting before the July 30<sup>th</sup> public hearing, we did ask if the developer would be able to make a brief presentation of the project to the City Council at tonight's meeting. As of the date that this report was completed, the developer had yet to confirm whether or not they would be able to attend the August 6<sup>th</sup> City Council meeting. However, it should be noted that Staff has tentatively scheduled a meeting with the developer's community outreach team on August 15, 2013.

Staff has reviewed the FEIR and the City of Los Angeles' responses to our previous comments on the Draft EIR. On July 29, 2013, Staff transmitted comments on the project and FEIR to the City of Los Angeles. We acknowledged that the applicant had responded extensively to all of the comments that we had made about the Draft EIR. However, we also noted that we had lingering concerns with respect to:

- Emergency access along Western Avenue;
- Traffic impacts related to student drop-off/pick-up at Dodson Middle School;
- Increased public demand and wear-and-tear at Eastview Park;
- Traffic mitigation measures along Western Avenue; and,
- The rejection of several project alternatives as financially infeasible.

The public hearing on July 30, 2013, was well attended by members of the surrounding community and included both proponents of and opponents to the project. This included Mayor Pro Tem Duhovic and Councilmen Campbell and Missetich. The developer presented an extensive overview of the history of the site and the proposed project, and the NWSPNC was allotted equal time to express its opposition to the proposed project. Following these presentations, public comments from the audience were accepted, including those of Councilmen Campbell and Missetich and a representative of Los Angeles Councilman Buscaino's office.

At the July 30<sup>th</sup> public hearing, the hearing officer noted that the Los Angeles City Planning Commission (CPC) was tentatively scheduled to consider the *Ponte Vista* project on Thursday, September 12, 2013, at Los Angeles City Hall in Downtown Los

Angeles. However, he also noted that it appeared unlikely that the CPC Staff report could be completed in time to make it on that agenda. Based upon our experience with the previous 2,300-unit *Ponte Vista* proposal in 2008-2009, Staff anticipates that it may be October or November before the CPC reviews this project.

At the August 6, 2013, City Council meeting, the City Council adopted Resolution No. 2013-53, expressing its opposition to the 830-unit proposal for the *Ponte Vista* project. At that meeting, the developer's representative submitted oral and written comments discouraging the City Council from taking this action.

On August 15, 2013, Staff met with, and at the request of, representatives of the development team for the *Ponte Vista* project at the former Navy housing complex on Western Avenue in San Pedro. The meeting primarily focused upon issues raised in Resolution No. 2013-53. In some respects, all parties noted that the City and the developer may simply "agree to disagree" on some of the impacts of the project upon the City and its residents. In other respects, the developer offered suggestions to attempt to address issues raised by the City, particularly with respect to impacts upon Eastview Park and school-related traffic circulation issues at Dodson Middle School. The developer also expressed interest and eagerness in becoming involved in the Western Avenue Corridor Vision Plan process. However, the developer stated emphatically that the *Ponte Vista* project will lose money, no matter how many units are built, and that the developer is simply trying to minimize the loss for its investors.

At the conclusion of the July 30, 2013, public hearing before the City of Los Angeles' hearing officer, it was noted that the Los Angeles City Planning Commission (CPC) had been tentatively scheduled to consider the *Ponte Vista* project on September 12, 2013. However, the City has yet to receive any official notification of when this matter will be agendized for the CPC's review.

On September 10, 2013, the developer's representative again contacted Staff to arrange a meeting to discuss further revisions to the project. This meeting was held on September 18, 2013. The developer has made several changes to the project that address both the issues raised in Resolution No. 2013-53 and in the comments of the Los Angeles City Planning Department:

- The overall unit count has been reduced from 830 to 676-to-700
- The apartment/condominium buildings along the southerly boundary of the site have been replaced with condominium buildings located more in the south-central portion of the site
- All units will be "for sale" units (i.e., no apartments)
- A 2.4-acre public park located at the southerly project entrance at Avenida Aprenda will be dedicated to the City of Los Angeles
- The developer is interested in installing Western Avenue streetscape improvements along the project frontage and in the median that are consistent with the concepts identified in the Western Avenue Corridor Vision Plan

The developer's representative informs us that the CPC is now tentatively scheduled to consider the *Ponte Vista* project on Thursday, November 14, 2013, with the possibility of a hearing before the Los Angeles City Council's Planning and Land Use Management (PLUM) Committee in December 2013, and final action by the Los Angeles City Council in January 2014.

On November 14, 2013, the Los Angeles City Planning Commission (CPC) considered the Final Environmental Impact Report (FEIR) and related land use entitlements for the 676-unit version of the *Ponte Vista* project. There were roughly sixty (60) speakers on the *Ponte Vista* item, with commenters equally split between project proponents (mainly San Pedro residents, local realtors and the San Pedro Chamber of Commerce) and opponents (mainly Rancho Palos Verdes residents, environmental activists and some San Pedro residents). A representative from Los Angeles 15<sup>th</sup> District City Councilman Joe Buscaino's office attended and read a prepared statement that culminated in the councilman's endorsement for the project.

The major topics discussed by the Commissioners included:

- The provisions of affordable housing;
- The provision an access easement for the adjacent Sea Port development to gain access to the new traffic signal to be located at the Avenida Aprenda entrance of the development;
- The Mary Star-of-the-Sea High School access roadway and parking;
- The development being a "gated community";
- The provision of signage along Western and throughout the development to promote the public park/open space and trails; and,
- The height of the retaining walls in the northerly portion of the site.

The CPC ultimately adopted Staff's recommendation to approve the project, with direction to Staff to address the following issues:

- Required maintenance of the public park (perhaps by the future homeowners association);
- Parking for the park and parking along the street that provides access to Mary -of-the-Sea High School;
- Signage to inform the public of the accessibility of the open space areas;
- Inclusion of an easement for the Sea Port development to the south; and,
- Requiring annual monitoring of the traffic mitigation measures identified in the FEIR.

The project still requires a hearing before the Los Angeles City Council's Planning and Land Use Management (PLUM) Committee and final action by the Los Angeles City Council.

The Planning and Land Use Management (PLUM) Committee of the Los Angeles City Council considered the *Ponte Vista* project at its meeting on Tuesday, December 17,

2013. The Committee received the November 14<sup>th</sup> recommendation of the Planning Department Staff and the City Planning Commission (CPC), and public testimony from the project proponent, several supporters and one (1) opponent. Staff addressed the Committee and asked it to consider:

- Affording our Public Works Department the opportunity to participate in the annual review of the efficacy of the project's traffic mitigation measures; and,
- Obligating the project proponent to resolve any future traffic impacts that are found to be not fully mitigated, as described in the Final EIR.

At the conclusion of the hearing, the Committee directed the City Attorney to finalize the ordinances for the project. These will come back to the PLUM Committee again for review before they are forwarded to the Los Angeles City Council. The full City Council is expected to take final action on the *Ponte Vista* project sometime in the first quarter of 2014.

The Planning and Land Use Management (PLUM) Committee of the Los Angeles City Council met again to consider the *Ponte Vista* project at its meeting on Tuesday, February 25, 2014. The Committee reviewed the draft ordinances prepared for the project by the Los Angeles City Attorney, and forwarded a recommendation of approval to the Los Angeles City Council.

On Tuesday, March 4, 2014, the Los Angeles City Council met to consider the *Ponte Vista* project's specific plan, development entitlements and final environmental impact report. With no public opposition to the project expressed at the hearing, it was unanimously approved by the City Council. At this point, assuming that no legal challenge is filed, the developer is expected to begin demolishing the remaining strictures on the site and preparing it for development later this year.

The *Ponte Vista* project has been a fixture of the Border Issues Status Report for more than a decade. With the Los Angeles City Council's action, Staff will remove this item from future Border Issues reports. However, Staff will continue to monitor the progress of the project, and to report periodically on its status in the Weekly Administrative Report.

In November 2019, the project's new owner and master developer, Harridge Development Group, applied to the City of Los Angeles for an interpretation of the *Ponte Vista* at San Pedro Specific Plan to make minor adjustments to internal boundaries between subareas within the development. The interpretation was approved in March 2020.

In mid-January 2020, the City began receiving complaints about traffic congestion from residents off Western Avenue in and around the Rolling Hills Rivera Homeowners Association (generally the streets around Avenida Aprenda). The traffic was the result of roadwork being performed by Caltrans as part of the improvements associated with the *Ponte Vista* project. The work included:

- the installation of upgraded traffic signals at Avenida Aprenda, Pacific Coast Highway, Palos Verdes Drive North and Capital Drive
- a widening of Western Avenue to create a dedicated right turn-out lane taking motorists into the Ponte Vista property
- the installation of a new signal at Peninsula Verde Drive, just north of Avenida Aprenda, on Western Avenue
- the installation of a left-turn signal for entrance into Mary Star of the Sea High School from Western Avenue
- new medians, landscaping and bus turnout lanes

Staff coordinated with Caltrans and Harridge Development Group to improve public communication about the construction-related delays. The portion of the roadwork that caused the most significant backup was completed in early February, and striping was performed soon after. According to Harridge Development Group, this concluded work in the roadway.

On June 3, 2020 Staff attended a virtual meeting of the Northwest San Pedro Neighborhood Council (NWSPNC) Planning and Land Use Committee, which included a presentation on the status of the Ponte Vista project.

It is Staff's understanding that Harridge Development Group will build the recreation, landscaping and common areas of the project, while the residential subareas will be sold to home builders. D.R. Horton will build 66 homes in Subarea 1 on the northwest corner of the project site across from the entrance to Green Hills Memorial Park. These detached single-family homes will be called The Estates at Ponte Vista. D.R. Horton plans to apply for building permits in July 2020 to construct the first model homes, which would be ready to show in October. According to Harridge Development Group, the next homes would be built in Subarea 3 by Kaufman & Broad.

Renderings of entry gates and monument signs along Western Avenue were also presented to the NWSPNC Planning and Land Use Committee. The most publicly visible entrance will be the northern entry gate on Western Avenue, which will include palm trees, steel access gates, stone entry walls and a metal, backlit cutout Ponte Vista community sign. Harridge Development Group is currently seeking approval for these entry gates and monument signs from the City of Los Angeles.

In early October 2020, the Daily Breeze reported that construction was underway on the first model homes in the Ponte Vista development. The first model homes were constructed by home builder D.R. Horton in Subarea 1, which is located in the northwest corner of the development and is called The Estates at Ponte Vista. According to the Daily Breeze, the subarea's 66 single-family detached homes will range in price from \$1.3 million to \$1.4 million.

On December 3, 2020, Staff attended a virtual meeting of the Northwest San Pedro Neighborhood Council Planning and Land Use Committee, which included a

presentation on the status of the Ponte Vista project. According to the presentation, the next homes to be constructed will be in Subarea 3, which is called Skyview at Ponte Vista. Located south of Subarea 1, this area will consist of 79 single-family homes built by Kaufman & Broad. According to the presentation, construction on the first model homes in this subarea is expected to begin in December 2020.

During the meeting, plans were presented for Subarea 2, which is called Westport Skyview at Ponte Vista. Located in the northeast area side of the site, Subarea 2 will consist of 60 single-family homes also built by Kaufman & Broad.

It is Staff's understanding that the next homes being planned in the Ponte Vista project are in Subareas 4B, 5 and 6, and that significant progress has been made on the open space, landscaping and recreation portions of the project, which are being developed by the master developer, Harridge Development Group.

On April 28, 2021, Staff attended a virtual meeting of the Northwest San Pedro Neighborhood Council Planning and Land Use Committee, which included a presentation on the status of the Ponte Vista project. A number of homes that are visible from Western Avenue have gone up on the project site in recent months.

According to the presentation, home builder Kaufman & Broad is now building model homes in Subareas 2 and 3 in the northeast and center of the project site, respectively.

Plans were presented for Subarea 5 in the southwest area of the site along Western Avenue, which will be called Harbor Pointe at Ponte Vista. Designed by home builder Taylor Morrison, Subarea 5 will consist of 131 attached three-story condominium townhomes proposed in sets of duplexes to fourplexes.

On May 26, 2021, plans were presented to the committee for the next portions of the site to be developed: Subareas 4B and 6. Located in the southeast corner of the site, Subarea 4B will be called Cabrilla and will consist of 86 attached three-story residential units proposed in 17 four- to eight-unit townhome buildings designed by Meritage Homes. Located on the south side of the site, Subarea 6 will be built by the master developer, Harridge Development Group, and will consist of 212 attached three-story residential units proposed in 34 four- to nine-unit townhome buildings.

As of December 2021, home building continues, and according to Harridge Development Group, Subareas 4B and 6 in the southeast and southern areas of the site, respectively, are now in the building permit process. Designs and elevations of these homes were included in the June 2021 Border Issues Status Report. Construction on entryways on Western Avenue is now complete. According to the master developer, no plans have been submitted for Subarea 4A in the northeast corner of the site, the only remaining subarea to be developed. All other areas of Ponte Vista are in various phases of construction or the building permit process.



As of June 2022, home building continues, and according to master developer Harridge Development Group, most areas of Ponte Vista are in various phases of construction or the building permit process, with several small groups of homes completed. No plans have been submitted for Subarea 4A in the northeast corner of the site, the only remaining subarea to be developed.

As of December 2022, home building continues, and according to master developer Harridge Development Group, almost all areas of Ponte Vista are in various phases of construction. No plans have been submitted for Subarea 4A in the northeast corner of the site, the only remaining subarea to be developed.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **RANCHO LPG BUTANE STORAGE FACILITY (CITY OF LOS ANGELES)**

- *Last Update: December 20, 2022*

For many years, residents in San Pedro and the *Eastview* area of Rancho Palos Verdes have been concerned about the existing Rancho LPG (formerly AmeriGas) butane storage facility at 2110 North Gaffey Street. The Rancho LPG facility is a 20-acre site located at the northeast corner of Gaffey Street and Westmont Drive, across the street from Home Depot and roughly three-quarters of a mile from the nearest homes in Rancho Palos Verdes. The site's most visually-prominent features are two (2) large refrigerated butane storage tanks with a combined capacity of over twenty-five (25) million gallons. Nearby residents have actively sought the relocation of the former Amerigas facility to another site, most recently to Pier 400 in the Port of Los Angeles (POLA).

The Rancho LPG facility handles and stores butane—a by-product of petroleum refining—from the nearby Valero and BP refineries in Wilmington and Carson, respectively. In the past, the transportation of butane from the site utilized an underground pipeline to nearby Berth 120 in Los Angeles Harbor. In 2004, POLA declined to renew AmeriGas' lease for Berth 120. Currently, butane is transported from the facility via rail car and tanker truck. However, Staff understands that Rancho LPG may be pursuing a new lease with POLA to resume the use of the existing underground pipeline.

The explosion of an underground natural gas transmission line in a residential neighborhood in San Bruno, CA, on September 9, 2010, has renewed concerns about the Rancho LPG facility among nearby residents. On September 15, 2010, the *Daily Breeze* reported on a closed-door meeting held by the new owners of the facility, Plains LPG. Another *Daily Breeze* article on October 18, 2010, reported that the City of Los Angeles' Northwest San Pedro Neighborhood Council (NWSPNC) had commissioned an independent risk assessment of the Rancho LPG facility. The September 2010 Quantitative Risk Assessment (QRA) has identified a variety of possible accident scenarios for the facility. These range from a relatively small, on-site mishap with

impacts mainly contained to the site, to a sudden, catastrophic failure of the butane storage tanks with impacts extending within a 5- to 7-mile radius from the facility.

The NWSPNC Planning and Land Use Committee was scheduled to meet to discuss the Rancho LPG facility and the QRA on October 28, 2010. Staff planned to attend this meeting.

The Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) met on October 28, 2010 to discuss the September 2010 quantitative risk assessment of the Rancho LPG butane storage facility that it commissioned earlier that year. The meeting was attended by roughly two (2) dozen residents and interested parties. NWSPNC's consultant, Cornerstone Technologies, did not attend the meeting to answer questions about its report. Rancho LPG did send representatives to refute the findings and conclusions of the Cornerstone report. Rancho LPG asserts that the Cornerstone report is inaccurate, not credible and not a "true" risk assessment. Of the eight (8) scenarios analyzed in the Cornerstone report, Rancho LPG claims that four (4) were incorrectly modeled and the other four (4)—including the most catastrophic scenarios—are "impossible."

Rancho LPG indicated that it is preparing its own risk assessment for the facility, which it planned to release to the public in January 2011. Staff sent a letter to Rancho LPG on November 5, 2010, asking to be invited to the meeting at which the risk assessment would be presented. In telephone conversations on November 10, 2010, and November 29, 2010, Rancho LPG representatives confirmed that the City would be invited to attend this meeting, which was tentatively set for January 11, 2011.

At the November 30, 2010, City Council meeting, several San Pedro and Rancho Palos Verdes residents addressed the City Council (under "Audience Comments") expressing their concerns about the Rancho LPG facility. Language for a draft resolution was presented to the City Council by members of the San Pedro and Peninsula Homeowners' Coalition. Rather than adopting a resolution, however, Staff recommended sending a letter from the Mayor to Los Angeles City Councilwoman Janice Hahn, relaying our residents' concerns about this facility. A draft letter for this purpose was prepared for the City Council's review and consideration on December 21, 2010.

On December 17, 2010, Staff received an invitation from Rancho LPG Holdings, LLC to attend a January 11, 2011, community meeting regarding the risk analysis for the Rancho LPG facility on North Gaffey Street in San Pedro. The invitation to attend this meeting was extended to elected and appointed community representatives, mostly from San Pedro and its neighborhood councils (Northwest, Central and Coastal).

On December 21, 2010, the City Council considered a letter from Mayor Long to Los Angeles City Councilwoman Hahn regarding the Rancho LPG facility. The letter was approved with modifications that evening, and sent to Councilwoman Hahn on January 6, 2011. Staff has provided a copy of this letter to Rancho LPG.

The January 11, 2011, meeting hosted by Rancho LPG was held at the Crowne Plaza Hotel in San Pedro. It was the first opportunity for Rancho LPG to present its own risk analysis for the butane storage facility. At the outset, Rancho LPG representatives re-stated their position that the type of catastrophic explosion that occurred in 2010 in San Bruno, CA could not occur at its San Pedro facility; and that the report prepared in 2010 on behalf of the Northwest San Pedro Neighborhood Council (NWSPNC) by Cornerstone Technologies was flawed and could not be relied upon as a “true” quantitative risk analysis for the facility.

Rancho LPG’s consultant, Quest Consultants, presented an extremely detailed 2½-hour oral presentation about the preparation of quantitative risk analyses (in general) and the risks associated with the Rancho LPG facility (specifically). The analysis concluded that the area potentially affected by the most catastrophic events that could realistically occur at the Rancho LPG facility would be several orders of magnitude less than the nearly 7-mile radius affected under the most-catastrophic scenario identified in the Cornerstone report. As modeled by Quest, the nearest residents to the Rancho LPG facility would experience a risk of fatality that is consistent with international standards of “acceptable risk” for similar facilities. It should be noted that seismic risk was not addressed in Quest’s analysis of the Rancho LPG facility. The explanation provided was that there is insufficient data available on the frequency of seismic events for Quest’s risk analysis models to generate meaningful results. However, it was noted that the refrigerated butane storage tanks have passed recent inspections and that they comply with the current International Building Code (IBC). Finally, the Quest representative touched briefly upon the risk of intentional/terrorist attacks upon the facility. Rancho LPG expected to conduct another similar meeting with elected and appointed community representatives in May 2011.

At the April 5, 2011, City Council meeting, a representative of the San Pedro and Peninsula Homeowners’ Coalition addressed the Council and asked it to direct Staff to prepare a letter to U.S. Senators Dianne Feinstein and Barbara Boxer regarding the Rancho LPG facility. A draft letter and other materials were submitted as “Late Correspondence” at that meeting. The City Council received these materials and the comments of the speaker, but did not provide direction to Staff regarding the request for letters to be sent to our U.S. Senators regarding this matter.

On May 11, 2011, Staff attended Rancho LPG’s community relations meeting in San Pedro. At that meeting, a representative of Rancho LPG provided updates on a number of topics related to the facility for the 2010 calendar year, including:

- Incident (i.e., accident) rates for the Rancho LPG facility—which has never had a “significant release event”—were roughly one-third ( $\frac{1}{3}$ ) of the industry standard for similar facilities;
- Facility security has been enhanced with upgraded fencing, video surveillance and security personnel;

- The facility operators have worked with the Department of Homeland Security (DHS) and the Los Angeles Police Department (LAPD) on counter-terrorism issues and training;
- Facility operations have been upgraded by the addition of personnel and the implementation of system automation;
- Under the auspices of the California Accidental Release Prevention (CalARP) program, facility infrastructure has been inspected and (where needed) brought into compliance with the most recent building codes; and,
- A geotechnical seismic evaluation found negligible risks of surface rupture, slope failure or liquefaction at the facility.

Rancho LPG planned to hold another community relations meeting in September 2011.

At the June 7, 2011, City Council meeting, the City Council discussed the previous request to send letters to U.S. Senators Dianne Feinstein and Barbara Boxer regarding the Rancho LPG facility. Staff subsequently prepared these letters for the Mayor's signature, which were sent to Senator Feinstein and Senator Boxer on June 21, 2011.

On August 26, 2011, a member of San Pedro and Peninsula Homeowners United e-mailed Staff, asking for the City Council to support a letter being written to Los Angeles City Attorney Carmen Trutanich. Staff responded that we believed that previous letters from the Mayor that were sent to then-Councilwoman (now-Congresswoman) Janice Hahn, Senator Dianne Feinstein and Senator Barbara Boxer expressed the City Council's concerns and position regarding the Rancho LPG facility. We understood from a report published in the *Daily Breeze* on September 2, 2011, that a similar request was made by this group to the Los Angeles Board of Harbor Commissioners on September 1, 2011.

On September 14, 2011, Staff attended Rancho LPG's latest community relations meeting in San Pedro. At that meeting, a representative of Rancho LPG provided updates on a number of topics related to the facility for the 2011 calendar year. He also distributed copies of a 3<sup>rd</sup>-party independent assessment of the Fall 2010 Cornerstone Technologies and Quest Consultants risk assessment reports for the facility, which was prepared at the request of the Environmental Protection Agency (EPA) by Dr. Daniel Crowl with the Department of Chemical Engineering at Michigan Technical University. Dr. Crowl's assessment concluded (in general) that the Cornerstone report was flawed in its analysis of the risk of catastrophic upset at the Rancho LPG facility, while the Quest report defined more realistic scenarios that were indicative of the actual risk posed by the facility upon the surrounding community. Unfortunately, the meeting deteriorated into a rather heated discussion about the credibility of the analysis on each side of the argument, and the perceived lack of transparency about the operation of the facility.

On September 21, 2011, Staff received a follow-up letter from Rancho LPG. Staff believes that Rancho LPG plans to continue holding community relations meetings in the future.

As “Late Correspondence” for the October 4, 2011, City Council meeting, Staff distributed a copy of a letter from Rancho LPG to the Central San Pedro Neighborhood Council, which included as an attachment a letter from Los Angeles City Attorney Carmen Trutanich to the attorney representing San Pedro and Peninsula Homeowners United. In essence, the letter concluded that the Los Angeles City Attorney’s office did not have sufficient evidence or grounds upon which to revoke Rancho LPG’s right to use a railroad line in Los Angeles city right-of-way or to compel the preparation of a new environmental impact report for the Rancho LPG butane storage facility.

Related to this issue, additional developments and information include the following:

- On October 4, 2011, “Late Correspondence” for that evening’s City Council meeting included an e-mail chain from Jeanne Lacombe.
- On October 7, 2011, Staff was copied on an e-mail from Janet Gunter to the City and Port of Los Angeles regarding the discussion of the Rancho LPG facility at the Board of Harbor Commissioner’s meeting on September 1, 2011.
- On October 10, 2011, the Los Angeles *Times* published an article regarding the Rancho LPG facility.
- On October 13, 2011, Janet Gunter forwarded to Staff a copy of the revocable permit granted to rancho LPG by the Port of Los Angeles for the use of a portion of the rail spur line serving the property.
- On October 17, 2011, Staff received a flyer announcing a community protest to be staged near the Rancho LPG facility on October 29, 2011 (the *Daily Breeze* subsequently reported on this protest on October 30, 2011).
- On October 21, 2011, Staff received a letter from Rancho LPG, which included a letter from the State Attorney General’s office concluding that the State had no grounds to issue an injunction to shut down the facility.
- On October 29, 2011, the Los Angeles *Times* reported that Los Angeles City Councilwoman Jan Perry was calling for an investigation of the Rancho LPG facility.
- On November 14, 2011, Jeanne Lacombe forwarded to Staff a copy of a proposed motion by the Northwest San Pedro Neighborhood Council regarding the insurance requirements for Rancho LPG (which was subsequently adopted).
- On November 20, 2011, Jody James forwarded to Staff a copy of the November 15, 2011, motion by the Port Community Advisory Committee (PCAC) demanding that the Port of Los Angeles revoke the permit allowing Rancho LPG to use the rail spur line serving the property.

On January 9, 2012, Staff received an invitation from Rancho LPG Holdings, LLC to attend the latest regular community relations meeting regarding the Rancho LPG facility. The invitation to attend this meeting was extended to elected and appointed community representatives, mostly from San Pedro and its neighborhood councils (Northwest, Central and Coastal).

On January 25, 2012, Staff attended Rancho LPG's community relations meeting in San Pedro. At that meeting, representatives of Rancho LPG provided updates on a number of topics related to the facility for the 2011 calendar year, including:

- Facility security continues to be enhanced with upgraded fencing, anti-vehicle measures and security personnel;
- The facility operators continue to work with the Department of Homeland Security (DHS) and the Los Angeles Police Department (LAPD) on counter-terrorism issues and training;
- Facility operations continue to be upgraded by the addition of personnel, the implementation of system automation and upgrades to the on-site rail spurs;
- Facility personnel completed a total of two hundred one (201) hours of safety training; and,
- The facility passed fourteen (14) audits by various oversight agencies, with no "Notices of Violation" issued.

It was noted that, during 2011, the facility received third-party validation of its regulatory and CEQA compliance from the Los Angeles City Attorney and the State Attorney General, as well as third-party validation of the Quest risk analysis by Michigan Tech under the direction of the Environmental Protection Agency (EPA). Also, the facility operator recently launched a new website (<http://www.RanchoLPG.com>) to provide information about the facility to the general public. During the question-and-answer session at the end of the presentation, however, it was clear that concerned members of the nearby community remain opposed to the presence of the facility on the site due to its proximity to homes, schools and businesses, regardless of how safely it may be operated by Rancho LPG.

Rancho LPG has not yet scheduled its next community relations meeting.

The following events have transpired since the last Border Issues update on this facility in early February 2012:

- On February 28, 2012, the *Daily Breeze* reported that LAUSD Board Vice President Richard Vladovic had sent a letter to Governor Brown asking for further investigations into the Rancho LPG facility;
- On March 8, 2012, Staff received an e-mail and photographs from Jody James after a collision between a truck and a train just outside the Rancho LPG facility at Gaffey Street and Westmont Drive;
- On March 12, 2012, Staff received another e-mail from Jody James announcing that the Board of Harbor Commissioners would be discussing the Rancho LPG facility at its meeting on March 15, 2012; and,
- On March 13, 2012, Staff received an e-mail from Jeanne Lacombe regarding the Los Angeles City Attorney's review of the Rancho LPG facility.

On May 1, 2012, Los Angeles 15<sup>th</sup> District City Councilman Joe Buscaino announced that he was asking the City Council's Public Safety Committee to hold a special meeting

in San Pedro to consider issues related to liquid bulk storage facilities in the harbor area. Councilman Buscaino posted a brief video of this announcement on the 15<sup>th</sup> District website (<http://www.la15th.com/>), which can also be viewed on YouTube at the following link:

[http://www.youtube.com/watch?feature=player\\_embedded&v=ptadTRmTQ3U](http://www.youtube.com/watch?feature=player_embedded&v=ptadTRmTQ3U)

In late May 2012, Staff received the e-mails from Janet Gunter regarding the June 7, 2012, Board of Harbor Commissioners (BHC) meeting as it related to a rail permit for the Rancho LPG butane storage facility in San Pedro. The rail permit in question covers a very short segment of the existing rail spur line adjacent to the Rancho LPG facility where it crosses Westmont Drive. A request for the BHC to revoke this permit was on the June 7<sup>th</sup> BHC agenda.

As a bit of background, in Fall 2011 the City of Los Angeles' Port Community Advisory Committee (PCAC) adopted a resolution recommending that the BHC revoke the permit for the rail spur line serving the Rancho LPG facility; perform risk assessments of the Rancho LPG facility and all hazardous commodities transported through the Port of Los Angeles; and establish a working group to examine the risks associated with the Rancho LPG facility. Port Staff recommended denying the PCAC recommendation, generally on the grounds that:

- Revoking the permit for the rail line would not prevent its continued use by Rancho LPG, but would deprive the Port of insurance coverage, indemnification and lease revenue related to the rail spur; and,
- The Port does not have jurisdiction over the operations of the Rancho LPG site because it is located outside of the Port Master Plan Area and the Coastal Zone.

The Staff report did suggest that the BHC had the authority to ask an agency with direct jurisdiction over the Rancho LPG facility to undertake the studies requested by PCAC. Prior to the BHC meeting, Staff was copied on an e-mail exchange between Janet Gunter and Port of Los Angeles Executive Director Geraldine Knatz regarding the acceptance of public comments on this topic at the BHC meeting. Ms. Knatz clarified that PCAC and Rancho LPG would each be allotted ten (10) minutes to address the BHC, with all other public speakers limited to the customary three (3) minutes each.

The BHC met on Thursday, June 7, 2012, at the Port of Los Angeles Administration Building in San Pedro to consider (among other things) the PCAC recommendation. The *Daily Breeze* subsequently reported on June 8, 2012, that the BHC had rejected the PCAC recommendation to revoke this permit.

On June 18, 2012, Staff was notified that San Pedro Peninsula Homeowners United, the San Pedro & Peninsula Homeowners' Coalition and other concerned community groups would be hosting a screening of their 12-minute video *Before the Ashes* on Thursday, June 21, 2012 at Holy Trinity Parish Center in San Pedro. Staff was unable to attend this screening.

On June 27, 2012, Los Angeles 15<sup>th</sup> District City Councilman Joe Buscaino hosted a meeting of the Los Angeles City Council's Public Safety Committee to investigate the potential risks and overall safety of liquid bulk storage facilities in the harbor area, including the Rancho LPG butane storage facility. Councilman Buscaino invited experts and regulators from numerous Federal, State, regional and city agencies to testify before the Committee, and concerned residents were encouraged to attend. The meeting was held at Taper Avenue Elementary School in San Pedro.

At the outset of the hearing, Councilman Buscaino invited elected officials to address the Committee. Dr. Richard Vladovic, Los Angeles Unified School District (LAUSD) Board of Education member representing the San Pedro area, expressed his concerns about the Rancho LPG facility and his desire to protect children attending nearby schools. Rancho Palos Verdes City Councilman Jerry Duhovic stated that he appreciated Councilman Buscaino's efforts in this matter, and noted that his family members and constituents on the east side of Rancho Palos Verdes were concerned about the Rancho LPG facility.

Councilman Buscaino was joined by Councilman Dennis Zine and Councilwoman Jan Perry at the dais. They began with questioning of a number of representatives of Federal, State and regional agencies regarding their respective jurisdictions over liquid bulk storage. Agencies represented included the California Occupational Safety and Health Administration (Cal-OSHA); the U.S. Environmental Protection Agency (USEPA); the Defense Logistics Agency (DLA), which operates the Navy fuel depot in San Pedro; the U.S. Occupational Safety and Health Administration (OSHA); and the South Coast Air Quality Management District (SCAQMD). Based upon the testimony provided, it was clear that each of these agencies has a very limited scope of authority over aspects of the operation of liquid bulk storage facilities.

The Committee then continued with questioning of representatives of a number of City of Los Angeles departments and agencies, including the Emergency Management Department, the Department of Sanitation, the Fire Department (LAFD), the Building and Safety Department, the Police Department (LAPD), the Planning Department, the Port of Los Angeles and the City Attorney's Office. Again, each agency appeared to have a limited scope of authority over liquid bulk storage (generally) and the Rancho LPG facility (specifically). However, based upon the discussion of the Committee, it appeared that the Emergency Management and Planning departments had the greatest potential to address the issue of the community impacts of liquid bulk storage on a more "global" scale.

After completing its questioning, the Committee offered members of the public to comment on the issue at hand. The vast majority of these comments expressed specific opposition to the Rancho LPG facility (rather than addressing the general topic of liquid bulk storage), and a desire for the City of Los Angeles to take action to remove this facility. Staff understands that representatives of Rancho LPG may have been in attendance at the hearing, but they were not questioned by nor did they address the



Committee. Videos of the entire hearing—both agency staff testimony and public comment—may be viewed on-line at <http://www.la15th.com/tanksafety>.

At the August 21, 2012, City Council meeting Councilwoman Susan Brooks presented an item regarding the Rancho LPG butane storage facility during the “Study Session” portion of the agenda. Two (2) members of the public addressed the City Council, urging it to consider taking a more proactive role in addressing community concern about the facility. The City Council unanimously agreed to direct Staff to agendize this matter for discussion at a future meeting, which is scheduled for October 16, 2012.

As was reported in the *Daily Breeze* on October 18, 2012, the City Council received a report from Staff laying out options to address community concerns about the Rancho LPG facility on October 16, 2012. The City Council unanimously agreed to “step up” monitoring of the facility as a part of the Border Issues Status Report; to reach out to surrounding jurisdictions and agencies; to evaluate the applicability of the Contra Costa County Risk Management Ordinance as model legislation; and to ask Rancho LPG to provide information about liability coverage for the facility. Staff is actively working on all of these initiatives.

On October 20, 2012, the *Daily Breeze* reported on complaints about an odor emanating from the Rancho LPG facility on October 18, 2012. Nearly forty (40) complaints were received from residents all over the South Bay. The South Coast Air Quality Management District (AQMD) has issued a notice of violation to Rancho LPG and launched an investigation.

In response to the City Council’s direction of October 16, 2012, Staff prepared a letter from the Mayor to Councilman Buscaino on November 7, 2012. The letter expresses support for Councilman Buscaino’s recent motions regarding the facility, and urges him to follow-up with the AQMD regarding the leak on October 18, 2012. Copies of this letter were provided to the City Councils and City Managers of Lomita, Palos Verdes Estates, Rolling Hills and Rolling Hills Estates.

Councilman Buscaino made a further motion regarding the Rancho LPG facility on November 13, 2012. This motion directs the Los Angeles City Attorney to report on the insurance requirements and liability coverage of Liquid Bulk Storage/Liquid Petroleum Gas facilities, and to suggest improvements to City laws in this respect.

Following up on the City Council’s direction of October 16, 2012, Staff has been attempting to obtain copies of insurance information regarding the Rancho LPG facility. However, as of the date that this report was completed, legal counsel for the facility operator has not indicated whether or not such information will be provided to the City.

As mentioned in the discussion of the *Ponte Vista* project above, Janet Gunter submitted extensive comments in opposition to the project on the basis that the risk of upset posed by the nearby Rancho LPG facility was not adequately addressed.

As Staff reported orally at the February 4, 2013, City Council meeting, Rancho LPG refused to provide the City Attorney with the requested information regarding its insurance and liability coverage on the grounds that such information was “proprietary.” In response to further requests from Staff and the City Attorney regarding the basis for making this determination, Rancho LPG has not responded. However, Rancho LPG did respond that:

- They had offered to show Councilman Knight and Staff the procedures related to recapturing spilled fuel from the containment basin during a site tour on October 16, 2012, but that we had said that we didn’t have time to review them at the time (Staff does not recall this conversation). They further stated that, while there are procedures in place that are available for review at the site, they would not provide copies of them.
- They were not required to report the normal emergency operation of the flare in January 2013 to the AQMD, the EPA or any other agency.

On February 19, 2013, the Chief Legislative Analyst’s (CLA) Office of the City of Los Angeles released its report on “Safety Regulations and Precautions at Liquefied Petroleum Gas (LPG) Facilities”. The report was prepared in response to several motions by Los Angeles City Councilman Joe Buscaino. After summarizing the legislative and regulatory background affecting the Rancho LPG facility in its report, the CLA made two (2) recommendations:

1. Instruct the Fire Department to develop potential options for a community outreach effort and preparedness exercise with City departments and stakeholders in the San Pedro area, including the facility operator, local Neighborhood Councils, homeowner groups, and other community based organizations.
2. Instruct the Fire Department and Department of Building and Safety, with the assistance of the Chief Legislative Analyst, to report back with a list of inspections conducted by non-City agencies at liquid bulk storage facilities that would benefit City agencies by receiving automatic notification of inspection deficiencies.

Local citizen groups were disappointed in this response, as demonstrated in some of their e-mails.

On February 23, 2013, several concerned citizen groups opposed to the Rancho LPG facility held a “Leadership Forum” at Taper Street Elementary School in San Pedro. Mayor Pro Tem Duhovic, Councilman Campbell and Councilman Knight all attended the meeting, and the meeting was reported upon by the *Daily Breeze* on February 24, 2013.

On March 14, 2013, the U.S. Environmental Protection Agency (EPA) issued a “Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act” to the Rancho LPG facility. This notice apparently stems from site inspections conducted by the EPA in April 2010 and January 2011. The allegations

against Rancho LPG include:

- Failing to include the rail storage area of the site in its Risk Management Plan;
- Failing to adequately evaluate seismic impacts upon the facility's emergency flare;
- Failing to address the consequences of a loss of City water for fire suppression during an earthquake;
- Failing to conduct a timely internal inspection of Tank 1 (i.e., one of the 12½-million-gallon butane storage tanks);
- Failing to develop an Emergency Response Plan to protect public health and the environment; and,
- Failing to include a drain pipe and valve in the containment basin in the Mechanical Integrity Program.

Rancho LPG has been given until April 15, 2013, to file written responses to EPA's allegations. EPA anticipates filing its complaint by May 15, 2013. Both the Los Angeles *Times* and the *Daily Breeze* reported on this matter.

At the April 2, 2013, City Council meeting, Mayor Brooks noted that the U.S. Environmental Protection Agency (EPA) had issued a "Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act" to the Rancho LPG facility. Rancho LPG was given until April 15, 2013, to file written responses to EPA's allegations. On May 6, 2013, Staff e-mailed the EPA to inquire into the status of Rancho LPG's response. However, as of the date that this report was last updated, Staff had received no response from the EPA.

Beginning in November 2012, San Pedro Peninsula Homeowners United has made several requests of the Los Angeles Department of City Planning (DCP) to initiate nuisance abatement proceedings against the Rancho LPG facility. DCP's response to each of these requests has been that there are no grounds upon which to pursue nuisance abatement against the facility.

In the past two (2) months, Janet Gunter has forwarded several items via e-mail, drawing comparisons between the Rancho LPG facility and other recent hazard issues and events. These have included:

- The Chevron refinery fire in Richmond, CA in August 2012
- The PG&E gas line explosion in San Bruno, CA in September 2010
- The fertilizer plant explosion in West, TX in April 2013
- Recent offshore earthquakes in May 2013

At the June 4, 2013, City Council meeting, the City Council directed Staff to prepare letters to Los Angeles Councilman Joe Buscaino, U.S. Congresswoman Janice Hahn and U.S. Congressman Henry Waxman regarding the Rancho LPG facility. The letters were completed and signed by the Mayor on June 18, 2013. Copies of these letters

were also provided to State Senator Ted Lieu and State Assemblymember Al Muratsuchi.

On July 8, 2013, Staff received a phone call from the EPA, advising us that Rancho LPG had submitted written responses to their March 14, 2013, notice, and that the EPA was reviewing these responses. Subsequently, in response to the Mayor's letter of June 18, 2013, Congresswoman Hahn also sent a letter to the EPA on July 10, 2013, asking the EPA to expedite its review of Rancho LPG's response to the violations alleged in the EPA's notice of March 14, 2013. In addition, on July 31, 2013, Congressman Waxman sent a letter to the Department of Homeland Security (DHS), asking for an explanation of apparent discrepancies between the assessment of the risks posed by the Rancho LPG facility to DHS and EPA.

In the past two (2) months, several interested parties have forwarded items via e-mail, drawing comparisons between the Rancho LPG facility and other recent hazard issues and events. These have included:

- The Chevron refinery fire in Richmond, CA in August 2012;
- The fertilizer plant explosion in West, TX in April 2013;
- The train derailment and resulting fire in Quebec, Canada in July 2013, and,
- A gas plant explosion in Florida in July 2013.

In late July and early August, there was a flurry of correspondence from State and Federal legislators—and even the White House—related to the Rancho LPG facility. These included:

- A July 29<sup>th</sup> response from the Environmental Protection Agency (EPA) to Congresswoman Janice Hahn's inquiry about the status of EPA's investigation of alleged violations at the Rancho LPG facility;
- A July 31<sup>st</sup> letter from Congressman Henry Waxman to the Department of Homeland Security (DHS), requesting an explanation of apparent discrepancies between the public safety assessments for the Rancho LPG facility by EPA and DHS;
- A July 31<sup>st</sup> letter from State Senator Ted Lieu to the State Fire Marshal, raising a number of questions about the safety of a facility such as Rancho LPG in close physical proximity to surrounding homes, schools and businesses;
- An August 1<sup>st</sup> Executive Order from the White House, calling for a variety of initiatives to improve the safety and security of chemical facilities; and,
- An August 1<sup>st</sup> letter from Congresswoman Janice Hahn to the House Subcommittee on Railroads, Pipelines and Hazardous Materials, asking the Subcommittee to conduct a local field hearing on the laws and regulations that govern hazardous facilities near homes and schools.

As reported to the City Council in the October 1<sup>st</sup> Border Issues Status Report, Senator Ted Lieu sent a letter to the State Fire Marshal on July 31, 2013, asking her to investigate a number of issues related to the Rancho LPG facility. On December 12,

2013, *Rolling Hills Riviera* Homeowners' Association President Jeanne Lacombe forwarded to Staff a copy of the response from the State Fire Marshal. The State Fire Marshal's letter states that bulk LPG storage facilities are not within that agency's "statutory and regulatory responsibilities," and referred Senator Lieu to the State Office of Emergency Services and the Los Angeles Fire Department.

In August 2013, President Obama issued Executive Order No. 13650 (EO 13650) regarding the safety and security of chemical facilities in the United States, shortly after explosions at a fertilizer plant in Texas and a propane plant in Florida. Under EO 13650, a working group of high-level officials of various Federal agencies was formed to address this issue. On January 8, 2014, Staff learned from Representative Henry Waxman's office that the working group would be hosting two (2) public "listening sessions" to receive input on EO 13650 over the next two (2) days. Staff attended the daytime session held at UCLA on Friday, January 10, 2014, and also sent an e-mail regarding these "listening sessions" to subscribers of the City's Border Issues listserve group.

At the January 10<sup>th</sup> meeting, Staff addressed officials of the Environmental Protection Agency (EPA), the Occupational Health and Safety Administration (OSHA), the Department of Homeland Security (DHS) and the Department of Transportation (DOT). We asked that the EO 13650 working group to:

- Take a holistic approach to reviewing the safety and security of all liquid bulk storage facilities in the Los Angeles Harbor area;
- Make the existing risk management plans for these facilities more easily accessible for public review than is currently the case; and,
- Facilitate the preparation of a quantitative risk assessment for Rancho LPG and similar facilities in the Harbor area by an independent, neutral third party.

Rancho LPG opponents and the facility's operator also addressed the EO 13650 working group at the meeting.

On Monday, January 13, 2014, Lisa Pinto, District Director for 33<sup>rd</sup> District U.S. Congressman Henry Waxman, was invited to address the Northwest San Pedro Neighborhood Council (NWSPNC). Last summer Congressman Waxman sent a letter to the then-Secretary of DHS, Janet Napolitano, asking DHS to explain apparent discrepancies between the EPA and DHS assessments of the preparedness of the Rancho LPG facility to respond to an accident. Ms. Pinto stated that Congressman Waxman was still waiting for a response from DHS. She also stated that, with respect to the EPA notice issued to Rancho LPG last March, she was aware of updates to the status of this enforcement action but was not yet at liberty to discuss them publicly. On Tuesday, January 21, 2014, sent the attached e-mail to NWSPNC meeting attendees and other interested parties, confirming that there was very little that could be shared publicly about the status of the open EPA enforcement action.

In December 2013 and January 2014, interested parties have continued to forward

items regarding and related to the facility via e-mail.

As “Late Correspondence” at the February 4, 2014, City Council meeting, Senator Ted Lieu’s office sent an e-mail and additional correspondence from the State Fire Marshal and the Governor’s Office of Emergency Services (CalOES). These letters clarified that the State Fire Marshal does have jurisdiction over the butane storage tanks, and that no violations were noted when they were last inspected in March 2012. The letter from CalOES also noted that the facility had passed recent local, State and Federal inspections.

On February 10, 2014, the City received a request from Rudy Svorinich on behalf of Rancho LPG Holdings for the City to remove certain content related to the Rancho LPG facility from the City’s website. Staff sent a response to Mr. Svorinich on February 20, 2014, declining to remove this content on the grounds that it expresses its authors’ beliefs and views, and is a matter of public record since it was submitted to the City in relation to a matter on a City Council agenda.

In February 2011, the Port of Los Angeles renewed a month-to-month permit with Rancho LPG, allowing it to continue to use a small portion of a rail spur line crossing Westmont Drive at Gaffey Street. The rail spur along Gaffey Street carries rail tank cars to and from the Rancho LPG facility, and is operated by Pacific Harbor Lines, the railway that provides for the internal movement of cargo and materiel within and between the ports of Los Angeles and Long Beach. In June 2012, the Port of Los Angeles Community Advisory Committee (PCAC) and opponents of the Rancho LPG facility unsuccessfully sought the revocation of this permit by the Board of Harbor Commissioners (BHC).

The use and stewardship of public tidelands within the Port of Los Angeles is subject to the oversight of the State Lands Commission (SLC), which consists of the Lieutenant Governor, the State Controller and the State Finance Director (or their respective designees). For several years, opponents of the Rancho LPG facilities have asserted that the Port improperly issued this rail spur permit. Therefore, when the Commission recently met in Los Angeles on April 23, 2014, a group of Rancho LPG opponents appeared and spoke about this issue under “Public Comments.” At the conclusion of their testimony, the Commission agreed to agendize the matter for its next meeting, seeking from its staff answers regarding:

- The Commission’s role and possible actions to be taken in this matter; and,
- The State’s liability exposure as a result of this matter.

The next SLC meeting will be on Thursday, June 19, 2014, at 10:00 AM. Although the Commission will be meeting at the State Capitol in Sacramento, a remote location in the Los Angeles area will be provided to view the proceedings and provide testimony.

On April 24, 2014, the City Council received a letter from Ron Conrow of Rancho LPG Holdings, LLC, regarding insurance coverage for the facility and other related issues. It

was not immediately clear what precipitated this unsolicited letter, although Staff presumed that it was related to issues expected to be raised at a refinery safety meeting to be held in Wilmington the following week. Rolling Hills Riviera Homeowners' Association President Jeanne Lacombe submitted responses to Mr. Conrow's letter on April 28, 2014.

On April 29, 2014, Staff attended the above-mentioned refinery safety meeting in Wilmington. The meeting of the State Interagency Refinery Task Force was held at Wilmington Middle School. A fire at the Richmond, CA Chevron refinery in August 2012 has raised public questions and concerns about refinery safety and emergency response in California. Following a directive from Governor Brown's July 2013 report "Improving Public and Worker Safety at Oil Refineries," CalEPA formed an Interagency Task Force on Refinery Safety in August 2013. The Task Force membership includes ten (10) state agencies, U.S. EPA, and local agencies from areas of the State that contain refineries. Their mandate is to work collaboratively to achieve the highest possible level of safety for refinery workers and local communities, and prepare for and effectively respond to emergencies if they occur.

At the April 29th "information session," issues discussed included workplace safety and injury prevention; emergency preparedness and response; and air quality monitoring in surrounding communities. Concerned community members raised issues for the task force to consider regarding the safety of both harbor area refineries (generally) and the Rancho LPG facility (specifically). Mr. Conrow attended this meeting. Following the meeting, Janet Gunter forwarded additional information to the Task Force. Additional information regarding the activities of the Task Force is available on the CalEPA website at <http://www.calepa.ca.gov/refinery>.

On May 14, 2014, Lisa Pinto of Congressman Henry Waxman's Staff e-mailed interested parties to advise them of the status of the EPA enforcement action that was initiated in March 2013. Unfortunately, Ms. Pinto was unable to provide much more information than to confirm that settlement negotiations are on-going.

At the request of Councilman Campbell, during the Study Session at the City Council meeting of May 20, 2014, the City Council considered agendaing the Rancho LPG issue at a future meeting. In addition to the posted report from Councilman Campbell, several interested parties submitted Late Correspondence and/or oral testimony. This included a letter from Congresswoman Janice Hahn encouraging the Rancho Palos Verdes City Council to "take the lead on this issue." Ultimately, the majority of the City Council supported a motion to:

Direct Mayor Duhovic to contact City of Los Angeles Councilman Buscaino to address the issues raised and return with a full report to the City Council; and direct Mayor Duhovic and City of Los Angeles Councilman Buscaino to work out the particulars of a possible public joint workshop to hear the concerns of all members of the public regarding the Rancho LPG Tank Facility.

Janet Gunter contacted Staff the following day and requested a copy of the PowerPoint slide submitted by Ron Conrow, which was displayed at the May 20th meeting. She later expressed her belief that this exhibit was inaccurate.

In response to "Late Correspondence" submitted during the May 20, 2014, Study Session item to consider agendaizing the Rancho LPG matter as a "stand alone" item on a future City Council agenda, Rancho LPG's Ron Conrow provided a copy of a letter to Congresswoman Hahn on May 29, 2014. The letter criticizes many of the points raised in Congresswoman Hahn's May 20<sup>th</sup> letter.

Back in October 2013, the Los Angeles City Council Public Safety Committee considered a motion by Councilmembers Buscaino and Englander relative to establishing a CalARP inspection section on the Los Angeles Fire Department (LAFD) website. The purpose of the CalARP program is to prevent accidental releases of substances that can cause serious harm to the public and the environment, to minimize the damage if releases do occur, and to satisfy community right-to-know laws. This is accomplished by requiring businesses that handle more than a threshold quantity of a regulated substance listed in the regulations to develop a Risk Management Plan (RMP).

An RMP is a detailed engineering analysis of the potential accident factors present at a business and the mitigation measures that can be implemented to reduce this accident potential. The CalARP program is implemented at the local government level by Certified Unified Program Agencies (CUPAs) also known as Administering Agencies (AAs). The LAFD has been designated the City of Los Angeles' local agency tasked with CalARP inspections and compliance oversight, including the review of RMPs, and conducts safety inspections at fifty (50) facilities within city limits that fall under CalARP monitoring standards.

At the request of the 15<sup>th</sup> City Council District, the City of Los Angeles Chief Legislative Analyst's (CLA's) office completed a review of CalARP standards to determine the safety of above ground liquid-bulk storage tanks. CLA analysis did not find any flaws in the safety standards or the inspections performed by LAFD. However, it was suggested that while LAFD is completing all CalARP inspections, the information is not effectively communicated to nearby residents and other interested parties. Therefore, it was recommended that the LAFD find a new way to educate the public regarding the standards that CalARP-identified facilities must adhere to, and the results of inspections they conducted. In response, LAFD has developed a CalARP inspection page for its website.

On June 13, 2014, the Public Safety Committee received a presentation from Councilman Buscaino's Staff and LAFD Staff regarding the CalARP inspection page. Interested parties addressed the Committee and expressed their objections to the continued operation of the Rancho LPG facility. The Committee then moved to



recommend approval of the CalARP inspection page to the full Los Angeles City Council on June 24, 2014.

At the Los Angeles City Council meeting on June 24<sup>th</sup>, the Los Angeles City Council unanimously approved the Public Safety Committee's motion and forwarded it to Los Angeles Mayor Eric Garcetti for his signature. The LAFD CalARP page is now operational at <http://lafd.org/CalARP>.

The State Lands Commission (SLC) held its regular, bi-monthly meeting on Thursday, June 19, 2014. Based upon requests made by interested parties at the April 2014 SLC meeting, the June 19<sup>th</sup> agenda included an item for the review of the revocable permit issued by the Port of Los Angeles in 2011 for a segment of the rail spur that serves the Rancho LPG facility. Although the SLC meeting was held in Sacramento, a remote location in Long Beach was provided for observation and testimony. Staff and Councilman Campbell attended the meeting at the remote location in Long Beach.

SLC Staff summarized the conclusions of the Staff report. They noted that the SLC has limited authority to challenge the actions of trustee agencies such as the Port of Los Angeles, short of filing suit. They also laid out an argument that the issuance of the revocable permit for the rail spur serving the Rancho LPG facility is "not inconsistent" with the Port's statutory trust grant or the common law Public Trust Doctrine. It was noted that revocation of this permit would not prevent Rancho LPG from continuing to use the rail spur—which is governed by Federal law—but would deprive the Port of the lease revenue (approximately \$15,000/year), insurance coverage (\$1 million) and indemnification from Rancho LPG. SLC Staff also noted that they were unsuccessful in obtaining copies of insurance and bond information from Rancho LPG on the grounds that the information is proprietary—the same response that our City received to its request in 2012. However, in a letter to SLC Staff, the parent company of Rancho LPG apparently stated that it carries \$500 million in 3<sup>rd</sup>-party liability coverage.

The SLC accepted public testimony on this matter, both live in Sacramento and via video teleconference in Long Beach. Speakers in Sacramento included Rancho LPG opponents (Noel Weiss, Janet Gunter and Chuck Hart) and Rancho LPG representatives (Rudy Svorinich and Ron Conrow). Speakers in Long Beach included City Staff, Councilman Campbell, Port of Los Angeles Staff and a number of Rancho LPG opponents from San Pedro and Rancho Palos Verdes. Meeting video is on the SLC website at <http://www.cal-span.org/cgi-bin/archive.php?owner=CSLC&date=2014-06-19> (starting at approximately 27:30).

At the conclusion of public testimony, SLC Chairman Alan Gordon expressed his sympathy with concerned residents living near the Rancho LPG facility, noting that the facility would probably not be permitted at this location today. He also noted that Rancho LPG has the permits that it needs to continue to operate and is not located on land within the SLC's jurisdiction. However, he expressed concern about Rancho LPG's reluctance to provide information to demonstrate that the Port is sufficiently indemnified for the financial risk posed by the lease of the rail spur line, opining that the

\$500 million in 3<sup>rd</sup>-party liability was “absurd.” Therefore, he made a motion to re-agendize this matter for a future meeting, pending the submittal of additional information from Rancho LPG to determine the liability exposure of the State, the City of Los Angeles and other potentially affected parties. The motion was approved.

Since the SLC meets bi-monthly, Staff anticipates that the continued discussion of this matter will probably not occur until the meeting of August 15, 2014, which is scheduled to be held in the Bay Area. We have made inquiries with SLC Staff about the possibility of arranging for another local remote location for this future SLC meeting, but had not received any response as of the date that this report was completed.

While Staff was attending the SLC meeting on June 19<sup>th</sup>, we received the an e-mail from Congressman Waxman’s office, indicating that senior staff from the Department of Homeland Security (DHS) would be hosting a community meeting to discuss issues related to the Rancho LPG facility sometime in late summer to early fall of this year. Staff has subsequently learned that this meeting is tentatively scheduled for the first half of September 2014. We will forward additional information about the date, time and location of this meeting as it becomes available.

On July 15, 2014, Councilman Campbell forwarded the “Interim Chemical Accident Prevention Advisory” from the EPA to Staff. The was apparently issued as an advisory to the operators of natural gas processing plants that store and process liquefied petroleum gas (LPG) products, with the purpose of raising industry awareness of codes and standards that may be applicable to such facilities. Since the Rancho LPG facility does not process natural gas, it was not clear to Staff how applicable this advisory would be to its operations. The public comment period on the interim advisory ended on July 31, 2014.

In March 2013, the EPA issued a Notice of Potential Enforcement Action to Rancho LPG for alleged violations of the Clean Air Act. There were six (6) allegations cited in the notice, resulting from EPA inspections to the facility in April 2010 and January 2011. A copy of the March 2013 notice is attached for reference.

On July 24, 2014, the EPA filed a Consent Agreement and Final Order (Agreement) in the matter. The Agreement found that Rancho LPG had violated the Clean Air Act on four (4) of the six (6) counts articulated in the March 2013 notice, and fined Rancho LPG \$260,000. At this point, it is not clear why the other two (2) counts from the March 2013 notice—related to the Rancho LPG facility’s rail storage area and its emergency response plan—are not addressed in the Agreement. However, Staff has been advised by the EPA that a subsequent letter explaining the status of these additional counts is forthcoming.

Rancho LPG opponents have characterized the EPA penalty as “a slap on the wrist.” Rancho LPG has thirty (30) days to remit payment of the penalty to the EPA.

On September 10, 2014, Congressman Henry Waxman’s office hosted a public meeting

with senior staff from the Department of Homeland Security (DHS) and the Environmental Protection Agency (EPA) to discuss Federal chemical safety and security programs and issues related to the Rancho LPG facility. Staff attended the September 10th meeting at Peck Park in San Pedro, as did Mayor Duhovic, Mayor Pro Tem Knight and Councilmember Campbell. In a statement read by a member of her staff, Congresswoman Janice Hahn reiterated her belief that the relocation of the Rancho LPG facility will be “the only permanent solution” to community concerns. She reiterated that she had called for a field hearing of the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials regarding the Rancho LPG facility in August 2013. She also stated that she believed that the recent \$260,000 settlement with EPA helped to minimize the risk of the facility to the community.

DHS Staff described DHS’ focus on counter-terrorism and stated that the Rancho LPG facility is one of approximately 4,000 facilities nationwide that are required to have approved site security plans under the Chemical Facility Anti-Terrorism Standards (CFATS) program. It was announced that Rancho LPG had had its CFATS inspection just a week or so before the September 10th meeting. For security reasons, however, DHS was not able to discuss any specific measures undertaken to secure the Rancho LPG facility.

EPA Staff described EPA’s focus on emergency preparedness and prevention, noting that there are only six (6) EPA inspectors to cover 1,100 EPA-regulated facilities in Region 9 (Arizona, California, Hawaii and Nevada). There was also discussion of Executive Order No. 13650, wherein EPA, DHS and the Occupational Health and Safety Administration (OSHA) are seeking community input about how to make existing chemical facilities safer. Finally, EPA Staff reviewed the final outcome of the investigation into the six (6) causes of action listed in the March 2013 “show cause” letter from EPA to Rancho LPG, which resulted in the \$260,000 settlement that was announced earlier this year.

In general, both DHS and EPA indicated that the Rancho LPG facility was operating in compliance with the Federal regulations applicable to the facility. In response to a question posed by City Staff, EPA stated that the two (2) causes of action from the March 2013 letter that were not addressed in the settlement had been effectively “dropped” as a result of additional consultations between EPA and Rancho LPG. Based upon the questions posed by many attendees, it is clear that they were not satisfied with the answers and explanations provided by DHS and EPA.

After considering the revocable permit issued by the Port of Los Angeles in 2011 for a segment of the rail spur that serves the Rancho LPG facility on June 19, 2014, the State Lands Commission (SLC) agreed to re-agendize the matter for a future meeting, pending the submittal of additional information from Rancho LPG to determine the liability exposure of the State, the City of Los Angeles and other potentially affected parties. Staff anticipates that the continued discussion of this matter may occur appear on the agenda for the SLC’s meeting of October 14, 2014, which is scheduled to be

held somewhere in the Los Angeles area. Staff will keep the City Council and interested parties apprised as we receive more information about the agenda and location of the upcoming SLC meeting.

In August and September 2014, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

Under the Border Issues Status Report at the October 7<sup>th</sup> City Council meeting, the Council discussed sending a letter to the State Lands Commission (SLC) regarding the Rancho LPG-related item on its October 14<sup>th</sup> agenda. Mayor Duhovic had prepared a draft letter and, after some Council discussion and revisions, read it into the record of the meeting. It was Staff's understanding of the City Council motion that the letter read into the record would be sent to Staff to then be routed to the Councilmembers for review, but if any Councilmember objected to sending the letter as proposed, the letter would not be sent to the SLC unless it was presented to the Council for formal review as an agenda item at a subsequent, duly-noticed public meeting. An objection to the letter was raised by a Councilmember, so the letter was not sent to the SLC.

On October 14, 2014, the SLC met in Santa Monica. At the conclusion of its June 19, 2014, review of the revocable permit for the rail spur serving the Rancho LPG facility that had been approved by the Port of Los Angeles, the SLC had asked for additional information regarding the insurance coverage provided for the Rancho LPG facility; the relationship of the owner/operator of the Rancho LPG facility to its parent company, Plains All-American Pipeline, LP (Plains); and the status of the EPA enforcement action initiated by the "show cause" letter of March 14, 2013.

With respect to insurance coverage, Rancho LPG provided a listing of insurance policies totaling \$500 million in liability coverage to cover 3<sup>rd</sup>-party claims. However, as it had done with our City Council, Rancho LPG refused to provide either the SLC or the State Attorney General with copies of its insurance policies. Rancho LPG legal counsel advised the SLC that it had no authority to review these policies and that their contents were proprietary. Interestingly, however, the Staff report noted that Plains had offered to provide a 3-year parental guarantee agreement in favor of the SLC and the Port of Los Angeles to cover uninsured losses or damages from a "casualty event" at the Rancho LPG facility. Under questioning from the SLC, Rancho LPG legal counsel was unsure if this agreement would cover loss or damage occurring outside the boundary of the Rancho LPG facility, but he seemed to suggest that it might.

With respect to the familial relationship of the Rancho LPG facility to Plains, an abbreviated organizational chart was provided to the SLC. The chart shows several layers of limited partnerships and limited-liability corporations between Rancho LPG and Plains.

Finally, with respect to the EPA's enforcement action, the SLC was updated on the conclusion of the EPA's review and the assessment of the \$260,000 fine earlier this year. The September 10<sup>th</sup> meeting with EPA and the Department of Homeland Security

(DHS) was also discussed. The SLC was advised that the Rancho LPG facility was currently operating on compliance with EPA and DHS regulations.

The SLC received public comments from nearly twenty (20) speakers, mostly local community members opposed to the Rancho LP facility who raised issues and concerns with which the City Council is already familiar. Although representatives of Rancho LPG were present, only their legal counsel spoke (reluctantly) under questioning from the SLC. To Staff's knowledge, there were no representatives of the City or Port of Los Angeles in attendance.

At the conclusion of the hearing, SLC Chair Alan Gordon (representing State Controller John Chiang) acknowledged the concerns of the community regarding the Rancho LPG facility, but noted that the SLC's authority was limited to the segment of the rail spur covered by the revocable permit. He noted that even if the permit were revoked, it was likely that Rancho LPG could and would continue to use the rail spur. At most, the SLC would only be able to send a letter to the Port asking it to consider revoking the permit. However, the SLC did approve a motion to direct its Executive Director to:

- Continue pressing the Port to review its permitting procedures;
- Negotiate with Plains regarding the proposed parental guaranty agreement; and,
- Contact the Los Angeles Mayor's Office and Fire Department regarding the status of City inspections.

If this matter is agendized again in the future for the SLC's review, Staff will advise the City Council of this as far in advance as possible.

In October and November 2014, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

On the early afternoon of Friday, December 5, 2014, Staff received an e-mail from *Rolling Hills Riviera* Homeowners' Association President Jeanne Lacombe regarding an incident that her husband had just observed at the Rancho LPG facility. The e-mail stated:

*At approximately 12:35 pm today my husband Pete was on Westmont and Taper Avenue area and observed a massive burn off at the refinery next to Rancho Holdings and he was alarmed to see three large fountains of water shooting near the impound basin at the Rancho Holdings facility. Fearing for his safety and knowing they do not have any public notification system like sirens he immediately turned around and left the area.*

*I would like to know what happened today. Was there an accidental release of butane?*

*This facility has no warning system and we are uninsured for any damage that is caused by the Rancho facility and that is a huge concern for our community.*

Northwest San Pedro Neighborhood Council Ray Regalado subsequently asked Jacob Haik and Ryan Ferguson in Councilman Buscaino's office to find out what had happened at Rancho LPG. Mr. Ferguson then contacted Ron Conrow with Rancho LPG to inquire about the incident observed by Mr. Lacombe. Within less than two (2) hours of Mr. Ferguson's inquiry, Mr. Conrow responded as follows:

*I would recommend that Mr. Lacombe contact the refinery if he saw a massive burn off from their flare as we do not make responses for other facilities.*

*With regards to Rancho, they were performing due diligence by testing fire suppression and all safety shutdown systems in the facility due to an electrical wiring issue associated with the recent heavy rainfall. The LAFD Station 36 and the SCAQMD was notified by the Facility Supervisor prior to testing the systems. All systems tested and worked as designed and both agencies were notified following testing. The 3-fountains were the fire water cannons which can be maneuvered as needed from the control room.*

*There was no product (butane/propane) release from the Facility as a result of fire/safety systems testing. For the record, Rancho has numerous vapor detectors located throughout the Facility as well as flame detectors. Any product alarms at 20% LEL and at 40% LEL the Facility Emergency Shutdown (ESD) automatically shuts down the entire facility immediately activates fire suppression systems and cannot be overridden by the Operator. Should such an event occur all ESD's must be manually reset by the Operator and then cleared on the Control Room PC to restart the facility.*

*Per our Emergency Response Plan (ERP), should a product release occur the Operator will call 911 and responders will notify and direct the community as warranted.*

Mrs. Lacombe forwarded this response to Staff and to Councilmembers Campbell and Duhovic on the afternoon of Saturday, December 6, 2014. Mrs. Lacombe states that the Environmental Protection Agency (EPA) told her that the Fire Department and SCAQMD were not notified of this test in advance, as claimed by Mr. Conrow in his response to Mr. Ferguson. Later, on December 8, 2014, Mrs. Lacombe advised Staff that the flare observed by her husband was Rancho LPG's flare, not one at the adjoining ConocoPhillips refinery.

The Northwest San Pedro Neighborhood Council (NWSPNC) was scheduled to hold its regular monthly board and stakeholder meeting on Monday, December 8, 2014, at Peck Park in San Pedro. Staff attended this meeting to see what additional information might be presented regarding the December 5<sup>th</sup> incident at the Rancho LPG facility. Staff from Councilman Buscaino's office regularly provides information and fields questions from meeting attendees about issues of concern as a "standing" agenda item. Mr. Conrow was present for this portion of the agenda to discuss the incident and respond to questions.

Mr. Conrow stated that the recent heavy rains had caused an electrical "short" at the facility. In order to make the necessary repair, the Rancho LPG facility had to be shut down temporarily. Mr. Conrow stated that the Los Angeles Fire Department and the AQMD were advised before the shutdown. Mr. Conrow stated that before the facility could be brought back "on-line," the fire safety and suppression systems for the facility needed to be tested. These were the "fountains of water" observed by Mr. Lacombe and others. In response to questions and discussion, it was clarified that the "massive flare" observed was Rancho LPG's flare, not one of the flares at the adjacent ConocoPhillips refinery. Mr. Conrow did not have any knowledge of the Rancho LPG flare in this incident (as it had been originally reported to him), although he pointed out that the burning of the Rancho LPG flare was "normal," and this could have been a part of bringing the facility back "on line" after the temporary shutdown. Mr. Conrow stated that Rancho LPG would notify Council District No. 15 in the event of similar testing or incidents at the facility in the future.

Another flaring event occurred at the adjacent ConocoPhillips refinery on the evening of Monday, January 12, 2015. This event was unrelated to the Rancho LPG facility.

In December 2014 and January 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

In February and March 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

In April and May 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

In June and July 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

In August and September 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

A public hearing on the safety of the Rancho LPG butane storage facility that was to be hosted by 35<sup>th</sup> District State Senator Isadore Hall on October 3, 2015, was canceled on September 15, 2015. Staff understands that this hearing may be rescheduled for some time during the first quarter of 2016.

On November 7, 2015, there was a flaring incident at the Rancho LPG butane storage facility in San Pedro. A report forwarded to the City via e-mail indicated that the incident lasted about seven (7) minutes, and also involved the dousing of the butane and propane tanks with water. On November 9, 2015, Staff contact Rancho LPG for information about the incident. Rancho LPG provided a response to Staff on November 16, 2015. The flare and the water dousing of the butane and propane tanks were the result of a brief electrical “blip” that triggered an automatic shutdown of the facility.

On November 15, 2015, the City received an e-mail containing a copy of a request from the Rancho LPG opponents’ attorney to the Building and Safety Department of the City of Los Angeles, asking for a public hearing to initiate nuisance abatement proceedings against the owner of the Rancho LPG facility. It should be noted that the original owner of the facility (Petrolane) was unsuccessfully sued on both public and private nuisance theories in a case that was decided in 1980 (*Don Brown v. Petrolane* (1980) 102 Cal.App.3d 720).

In October and November 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility and its owner/operator via e-mail.

In January 2016, two (2) local governmental agencies took up the Rancho LPG issue for discussion. The Board of Harbor Commissioners received a report from its staff on January 7, 2016, which reiterated the position that the Port of Los Angeles has little to no direct authority or jurisdiction over the operations of the Rancho LPG facility. On January 12, 2016, LAUSD Boardmember Dr. Richard Vladovic put forth a resolution supporting the relocation of the Rancho LPG facility.

In December 2015 and January 2016, interested parties have continued to forward items regarding and related to the Rancho LPG facility and its owner/operator via e-mail. Copies of these e-mails are attached to tonight’s report.

The U.S. Navy’s release of a draft environmental assessment of a proposed outlease of Defense Fuel Support Point San Pedro (DFSP) in April 2019 renewed community discussion about longstanding concerns with the nearby Rancho LPG facility on North Gaffey Street in San Pedro, where 25 million gallons of butane are stored in two aboveground tanks, and another five horizontal storage tanks each hold 60,000 gallons of propane.

During a discussion of the Border Issues Status Report on June 18, 2019, the City Council considered supporting H.R. 6489, a bill introduced in Congress in July 2018 by U.S. Rep. Nanette Barragán (D-San Pedro), which would have authorized the use of up to \$500 million in federal grant funding to cover half the cost of relocating LPG storage facilities that are within five miles of populated areas, homes or schools. The bill did not advance in Congress.



After some discussion, the council decided instead to direct Staff to prepare a letter more broadly supporting the relocation of Rancho LPG and other liquid bulk storage tanks that are close to the public, without taking a stance on proposed funding. The council also restated its concerns with the Navy's proposal to resume storing millions of barrels of combustible jet fuel in aboveground tanks at nearby DFSP.

The letter was approved at the August 20, 2019 City Council meeting and was sent the following day to Rep. Barragán, Rep. Ted Lieu, Senator Dianne Feinstein, Senator Kamala Harris, Senator Steven Bradford, Senator Ben Allen, Assemblymember Patrick O'Donnell, Assemblymember Al Muratsuchi, L.A. County Supervisor Janice Hahn, L.A. City Councilmember Joe Buscaino and San Pedro Peninsula Homeowners United.

Staff continues to reach out to Rep. Barragán's office about efforts to relocate the tanks or reintroduce the bill in the 116th Congress.

On August 22, 2019, Janet Gunter of San Pedro Peninsula Homeowners United distributed a news release about a new study by researchers from Harvard University, the University of Southern California and the U.S. Geological Survey on the Wilmington Blind-Thrust fault. The research found that the 12.5-mile long fault is not dormant as previously believed and has the potential to cause a 6.4 magnitude earthquake. The fault stretches from Huntington Beach and runs beneath the ports of Los Angeles and Long Beach, and the Palos Verdes Peninsula.

On September 3, 2019, the City received an email from Ron Conrow of Rancho LPG Holdings expressing disappointment in the City's letter, stating that funding in Rep. Barragán's bill would be insufficient to relocate the facility and casting doubt on the bill's likelihood to be signed into law if it were re-introduced. Mr. Conrow disputed various concerns raised by members of San Pedro Peninsula Homeowners United, including concerns about the new findings about the Wilmington Blind-Thrust fault. Mr. Conrow included letters and reports from regulators and government agencies over the years concerning the facility's safety record and determinations of jurisdictional authority.

The City's August 2019 letter, as well as the above-mentioned correspondence, can be viewed in the December 17, 2019 Border Issues staff report at [https://rpv.granicus.com/MetaViewer.php?view\\_id=5&event\\_id=1295&meta\\_id=77777](https://rpv.granicus.com/MetaViewer.php?view_id=5&event_id=1295&meta_id=77777)

In August 2020, a massive and deadly explosion of ammonium nitrate in Beirut, Lebanon renewed community discussion about longstanding concerns with the Rancho LPG facility. In a September 2020 [Los Angeles Times article](#), Plains All American Pipeline rejected comparisons of Rancho LPG and the site of the Beirut explosion, noting the different material stored in the tanks and the various safety requirements of local, state and federal regulatory agencies. The article discusses several past risk assessments of the facility, as well as recent efforts by the Los Angeles Unified School District (LAUSD) and Rep. Barragán to advocate for new risk analyses.

The LAUSD Office of Environmental Health and Safety sent letters to the Los Angeles City Fire Department (L.A. City Fire) in February and August 2020 requesting a new seismic study of the Rancho LPG facility. As of this writing of this report, LAUSD staff indicated it has not received a direct response from L.A. City Fire.

In August, LAUSD transmitted a “Request for Information” to L.A. City Fire regarding Rancho LPG. L.A. City Fire provided a copy of its report from a July 2017 inspection, which indicated the facility was in general compliance with no Notice of Violations issued.

Rancho LPG is under the jurisdiction of the California Accidental Release Prevention Program (CalARP), which requires L.A. City Fire to inspect the facility every three years. The most recent facility inspection was in July 2017, which means Rancho LPG is due for an inspection. LAUSD staff has indicated it will be contacting L.A. City Fire to inquire the status of the required inspection.

In light of the Beirut explosion, in November 2020, the Northwest San Pedro Neighborhood Council adopted a resolution requesting that Governor Newsom, Los Angeles Mayor Garcetti, the Port of Los Angeles and LAUSD each take steps to ensure that the various risks posed by the operation of the Rancho LPG storage facility are re-evaluated, and that the governor and mayor ensure that such renewed efforts are coordinated with the appropriate California state and local agencies, commissions, the California Legislature, and the relevant federal departments and agencies.

Rep. Barragán’s office continues to explore a potential legislative path toward relocating the Rancho LPG storage tanks. Rep. Barragán’s office is also seeking a risk assessment of the facility by the Environmental Protection Agency through the federal budget process.

In March 2021, the City Council was copied on a letter from the Coastal San Pedro Neighborhood Council to Governor Gavin Newsom, former California State Attorney General Xavier Becerra, Los Angeles Mayor Eric Garcetti, Port of Los Angeles Executive Director Gene Seroka and Los Angeles Unified School District (LAUSD) Superintendent Austin Beutner concerning the Rancho LPG facility on North Gaffey Street in San Pedro, where 25 million gallons of butane are stored in two aboveground tanks, and another five horizontal storage tanks each hold 60,000 gallons of propane. Over the years, the facility has been the subject of concerns from residents of San Pedro, the Eastview area of Rancho Palos Verdes and others about safety and the potential for a catastrophic explosion. Plains All American Pipeline, which owns the facility, has defended its safety record and procedures.

The Coastal San Pedro Neighborhood Council letter requested that Governor Newsom, Mayor Garcetti, the Port of Los Angeles, and LAUSD each take steps to ensure that various risks posed by the operation of the Rancho LPG storage facility are re-evaluated, including specific requests related to the use of a rail spur line adjacent to the facility.

In April 2021, the Los Angeles Times reported that L.A. City Councilman Joe Buscaino wrote a letter urging Plains All American Pipeline to sell the facility for another use. According to the article, Councilman Buscaino urged the company to sell the facility to a “non-petroleum” or “alternative use buyer” after reportedly learning it may be up for sale. Staff has reached out to Rancho LPG for additional information but has not received a response as of the writing of this report.

Staff also reached out to the office of Rep. Nanette Barragán of San Pedro for an update on efforts to seek a risk assessment of the facility by the Environmental Protection Agency through the federal budget process. According to her staff, during last year’s budget process, the House Committee on Appropriations approved the following report language, which was modified from an earlier version requested by Rep. Barragán:

*“The Committee notes that many communities have significant concerns regarding the adequacy of Risk Management Plans (RMPs) for petrochemical or other facilities that store hazardous materials. The Committee directs the Office of Emergency Management to engage with local communities when requested to ascertain the adequacy of RMPs, including conducting independent risk analyses when warranted. The Agency is also urged to consider when and where proactive, interactive, and reactive mitigation response barriers are needed to prevent, control, and/or mitigate the consequences of major accident risks.”*

Additionally, Rep. Barragán requested an increase from \$13.6 million to \$20 million in funding for the EPA’s State and Local Prevention and Preparedness Program, which works on risk management and safety for facilities such as Rancho LPG and refineries. The committee only approved a minor increase of \$600,000.

It is Staff’s understanding that Rep. Barragán may again look to the federal budget process in 2022 for potential funding to address risk management and safety for facilities such as Rancho LPG and refineries.

In April 2022, Rep. Barragán co-authored a letter signed by 31 senators and Congress members urging U.S. Environmental Protection Agency (EPA) Administrator Michael S. Regan to strengthen the Risk Management Plan (RMP) Rule, also known as the Chemical Disaster Rule, which would impact operations at facilities such as Rancho LPG, calling for “the strongest possible protections for those who work in RMP chemical facilities, environmental justice communities, first responders, and our most socially vulnerable constituents.” In May, during a House Committee on Energy and Commerce hearing on the Fiscal Year 2023 EPA budget, Rep. Barragán further emphasized the need to strengthen the RMP, mentioning community concerns about the risk of accidents at Rancho LPG, as well as refineries in Carson and Wilmington. It is Staff’s understanding that Rep. Barragán may also look again to the federal budget process later this year for potential funding to address risk management and safety for such facilities and refineries.

It is Staff's understanding that while speculation has circulated about a potential sale of the site, no such plans have been confirmed or announced. In November 2022, Staff reached out to both a reported prospective buyer and Rancho LPG Holdings, LLC, but has not received a response.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **SAN PEDRO WATERFRONT PROJECT (PORT OF LOS ANGELES)**

- *Last Update: December 20, 2022*

In December 2003, the City commented on a proposed Mitigated Negative Declaration (MND) for what was then called the "Waterfront Gateway" project. The project envisioned various pedestrian, landscape and parking improvements in the general vicinity of the Vincent Thomas Bridge and the cruise ship terminal. Many of these improvements have already been constructed. However, in December 2006, the Port and the Army Corps of Engineers (ACOE) proposed a vastly expanded project (now called the "San Pedro Waterfront Project") and announced the preparation of a Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR) for the expanded project. The City's submitted comments on the scope of the DEIS/EIR on February 27, 2007.

On September 25, 2008, Staff received the Notice of Availability for the Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR) for the San Pedro Waterfront Project. Major project components include:

- New public open spaces such as promenade areas, plazas, parks, and landscape and hardscape areas, including a continuous waterfront promenade that would extend throughout the proposed project area;
- Upgrades to and expansion of the retail and commercial uses in Ports O' Call to 375,000 square feet;
- Upgrades to public amenities such as the Ralph J. Scott Fireboat and S.S. Lane Victory;
- Development of a Waterfront Red Car Maintenance Facility at the existing Southern Pacific Railyard south of 7<sup>th</sup> Street;
- Relocation of the Catalina Channel Express Terminal from Berth 96 to the existing location of the S.S. Lane Victory at Berth 94;
- Three new harbor basins (North, Downtown, and 7<sup>th</sup> Street);
- New Outer Harbor Cruise Terminals with two new berths located in the Outer Harbor at Berths 45–50;
- Improved transportation infrastructure through enhanced intersection improvements at Sampson Way and 7<sup>th</sup> Street, expansion of Sampson Way to two lanes in each direction, and improvements to the landscape and hardscape on the west side and in the median of Harbor Boulevard starting at the Swinford Street intersection south to 22<sup>nd</sup> Street;

- Deindustrialization of Port lands along the west side of the Main Channel, including Decommissioning of the Westway Terminal Company's liquid bulk marine terminal at Berths 70–71 and Jankovich & Son fueling station at Berth 74, and removal of the Southern Pacific Railyard.
- Realignment of the Waterfront Red Car tracks within the median of Harbor Boulevard and Sampson Way and extension to Cabrillo Beach, Outer Harbor, and City Dock No. 1 (adjacent to Warehouse No. 1); and
- Surface and structured parking to accommodate project development within the proposed project area.

The San Pedro Waterfront Project DEIS/EIR is being circulated for a 75-day public review period, which will end on December 8, 2008. A public meeting to receive comments on the DEIS/EIR will be held on October 27, 2008, at 6:00 PM at the Crowne Plaza Hotel, 601 S. Palos Verdes St., San Pedro, CA 90731.

On October 27, 2008, a public meeting was held to receive comments on the San Pedro Waterfront Project Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR). More than three hundred (300) citizens attended the meeting, including Rancho Palos Verdes residents. Representatives of the Port of Los Angeles and the Army Corps of Engineers were addressed by Los Angeles City Councilwoman Janice Hahn, Board of Harbor Commissioners President David Freeman, and representatives of the Sierra Club, the L.A. Waterfront Working Group, the Port Community Advisory Committee (PCAC) and the Coastal San Pedro Neighborhood Council (CSPNC), as well as by the general public.

Comments were generally supportive of the project goals of enhancing the San Pedro waterfront and improving public access. However, specific criticisms included:

- The temporary and/or permanent displacement of existing businesses and restaurants in Ports o' Call Village as a part of its proposed renovations;
- The construction of a second cruise ship terminal in the Outer Harbor near Cabrillo Beach;
- The use of prime waterfront acreage for parking structures and surface parking lots;
- The lack of connectivity of the waterfront to downtown San Pedro (i.e., bridges, Red Car line extension, etc.).

The L.A. Waterfront Working Group presented a "Sustainable Waterfront Plan" as a project alternative that incorporated "green" building principles, more extensive use of alternative modes of transportation (i.e., foot, bicycle, Red Car, etc.) and salt-marsh habitat restoration. The Sierra Club and PCAC stated that they were working on similar sustainable development alternatives. The 75-day public comment period for the DEIS/EIR will end on Monday, December 8, 2008. On December 3, 2008, Staff forwarded comments on the Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR) for the San Pedro Waterfront project to the Army Corps of Engineers and the Port of Los Angeles.

On September 17, 2009, Staff received the Final Environmental Impact Statement/Environmental Impact Report (FEIS/EIR) for the San Pedro Waterfront Project. The document includes a master response-to-comments section, as well as specific responses to the comments that we raised on our letter of 3 December 2008. The master response discusses seven (7) topics that were of concern to many commentators, including our City. In summary:

1. The FEIS/EIR does not need to address the so-called “Sustainable Waterfront Plan”—proposed by a working group of Neighborhood Council, PCAC and TraPac appellant members—because the analysis already included a reasonable range of alternatives; the Sustainable Waterfront Plan constituted a variation upon existing alternatives that were analyzed; and several components of the Sustainable Waterfront Plan were infeasible.
2. The proposed Outer Harbor cruise facilities at Kaiser Point are needed to accommodate existing and projected cruise ship demand; will have no significant visual impacts from key observation points; would improve health risks related to air quality by placing these facilities further away from sensitive receptors; will utilize a shuttle service from parking facilities in the Inner Harbor to reduce traffic impacts; and would provide a reasonable balance between maintaining the security of berthed cruise ships and public access to surrounding waters within the harbor.
3. The proposed waterfront parking structures are necessary components of the project, and would not have significant aesthetic or recreational impacts.
4. The intent of the proposed redevelopment of Ports o’ Call Village is to provide upgraded and more attractive visitor-serving facilities that would accommodate and retain existing successful Ports o’ Call Village businesses.
5. The proposed project is intended to complement—rather than compete with—on-going commercial revitalization in the downtown San Pedro area.
6. Construction-related traffic impacts can be mitigated, but some operational traffic impacts on Gaffey Street, Harbor Boulevard and Miner Street at the project build-out will be significant and unavoidable, even with the imposition of mitigation measures.

Despite requests from some commentators, the new information added to the FEIS/EIR does not warrant recirculation of the document.

In September 2009, the Los Angeles Board of Harbor Commissioners certified the final EIR for the San Pedro Waterfront Project. A high-profile component of the project is the redevelopment of Ports O’ Call Village, a 30-acre, 1960s-era shopping village off Harbor Boulevard.

In February 2013, the LA Waterfront Alliance, comprised of The Ratkovich Co. and Jerico Development, was selected to redevelop Ports O' Call Village. Later that year, the developer unveiled initial plans, which included a Fisherman's Park near downtown San Pedro at Harbor Boulevard, a central market square, and a pier of attractions at the southern tip of the site.

The project was revised in 2016 and named San Pedro Public Market, and a 50-year ground lease was approved with the LA Waterfront Alliance (the term was later extended to 66 years). Plans included about 300,000 square feet of restaurants, retail, office, open space, and entertainment uses. Among the entertainment components was a 500-seat outdoor amphitheater, which could be used for both public and private ticketed events. These plans were included in an [addendum to the EIR for the San Pedro Waterfront Project](#).

Following the resolution of litigation with tenants, Ports O' Call Village was demolished in late 2018, with only the San Pedro Fish Market remaining.

The project has undergone further revisions in recent years. In March 2019, the [Daily Breeze reported](#) that the LA Waterfront Alliance entered exclusive negotiations with Nederlander Concerts to explore adding a 6,000-seat outdoor concert and entertainment venue to the site.

The 42-acre San Pedro Public Market was rebranded as West Harbor in October 2020, and now includes 375,000 square feet of restaurants, retail, office, open space, and entertainment uses. According to a press release, the developers are in "near final" negotiations with Nederlander Concerts for a 6,200-seat amphitheater, which "is slated to sit directly along the waterfront and against the dramatic backdrop of the Battleship USS Iowa (West Harbor and the Port of Los Angeles are reviewing proposed plans to move the iconic battleship to the site)."

According to the Port of Los Angeles, a supplemental EIR studying the much larger proposed amphitheater is expected to be released for public review in spring or summer of 2021. The amphitheater would be located on the southern tip of the site, near the Southern Pacific Slip, and the stage and speakers would face southeast toward the ocean. The amphitheater would be operated seasonally in the spring and summer months, similar to the Greek Theatre in Los Angeles, with weekend-focused programming (Thursday-Sunday). Port of Los Angeles staff estimates that in the initial stage of operation, there could be 15-20 concerts per year, and eventually, booking could reach about 100 concerts per year. Staff will review the supplemental EIR when it is released, including potential noise impacts to residents on the east side of Rancho Palos Verdes, and submit comments.

A groundbreaking ceremony for the West Harbor project was postponed to 2021 due to the COVID-19 pandemic. The development is now expected to open in 2022.

In March 2021, the [Daily Breeze reported](#) that construction is expected to be completed by the end of July 2021 on the \$36 million town square and promenade on San Pedro's waterfront, which will connect to the future 42-acre West Harbor project on the site of the former Ports O' Call Village. West Harbor, which will include 375,000 square feet of restaurants, retail, office, open space, and entertainment uses, is expected to open in 2022. According to the Port of Los Angeles, plans for the 6,200-seat amphitheater have been put on hold due to the COVID-19 pandemic, so a timeline for the release of a supplemental EIR studying the proposed amphitheater is not available. Community concerns have been expressed regarding the size of the amphitheater and its potential impacts to surrounding neighborhoods.

In October 2021, the Port of Los Angeles unveiled the newly completed town square and promenade. The [Daily Breeze reported](#) in November 2021 that 65,000 square feet of the overall waterfront venue is now leased and that with infrastructure in place, construction is set to begin on buildings in early 2022. West Harbor is now expected to open in the first half of 2023.

Although Port of Los Angeles staff previously indicated that plans for the amphitheater were placed on hold due to the pandemic, in August 2021, Staff learned that the Port is moving forward with an environmental assessment studying the proposed amphitheater. According to Port staff, following a delay, a Notice of Preparation for the supplemental Environmental Impact Report (EIR) is now expected to be released within 90 days.

On April 14, 2022, the Port of Los Angeles released an [Initial Study/Notice of Preparation \(IS/NOP\) \(PDF\)](#) for the West Harbor Modification Project, including additional renderings of the proposed 6,200-seat outdoor amphitheater.

The proposed West Harbor Modification Project involves the development of the approximately 108,000-square-foot amphitheater as well as an entertainment venue on approximately 2.5 acres in the southern portion of the future West Harbor development on the site of the former Ports O' Call Village. The amphitheater, designed by Tucker Sadler Architects, would be located near the Southern Pacific Slip, providing up to 6,200 seats and hosting approximately 100 paid events per year, generally from April through November. The venue also could host smaller, local community, nonprofit, and sponsored events year-round. It would cover an over 50,000-square-foot area consisting of a sloped and terraced artificial lawn, with an approximately 35,000-square-foot stage, backstage, and box office area; an approximately 22,000-square-foot space accommodating concessions and restrooms located south of the lawn; and circulation space located east and west of the lawn area.

According to the IS/NOP, all seats would be temporary, as they would be set up for show nights and taken down shortly after the show. Approximately 35-foot-high video screens would flank both sides of the stage. It is Staff's understanding that the stage speakers would face south toward the ocean and away from residential neighborhoods to minimize noise impacts. In addition to concerts, 25 offshore barge fireworks displays per year are proposed. The project would also replace a previously proposed 100-foot



diameter Ferris wheel with an approximately 150-foot-tall by 50-foot-wide tower attraction.

On May 3, 2022, Staff attended a virtual scoping meeting hosted by the Port of Los Angeles for the IS/NOP, where residents of surrounding communities expressed a mix of support and opposition to the project, with opponents raising various noise, traffic and environmental concerns.

Since the release of the IS/NOP, Staff received correspondence from two residents regarding concerns about noise and environmental impacts from concerts and fireworks displays. On June 13, 2022, Staff submitted a comment letter on behalf of the City echoing these concerns and calling for a thorough analysis of noise impacts under various atmospheric conditions, a detailed explanation of the technology proposed to minimize impacts to surrounding communities, and the inclusion of smaller alternatives.

It is Staff's understanding that the supplemental EIR is expected to take one year to complete and that construction on the remainder of the West Harbor project, which will include restaurants, retail, office space, and open space areas, should begin in summer 2022, with a late 2023 or early 2024 projected opening. The amphitheater is on a separate timeline.

On November 12, 2022, the Port of Los Angeles and developer the LA Waterfront Alliance held a groundbreaking ceremony for the future West Harbor development. Construction is set to begin soon on the first phase of the project. West Harbor is now expected to open in 2024.

According to the LA Waterfront Alliance, West Harbor is about 70% leased, with a mix of tenants, including restaurants, an immersive art gallery, and a dog park "social club" with a bar. Tenants announced so far include: Mario's Butcher Shop & Delicatessen; Olala Crepes; Pitfire Pizza; The Win-Dow; Hopscotch; Jay Bird's Chicken; King & Queen Cantina; Mike Hess Brewing; Poppy + Rose; Bark Social; Harbor Breeze Cruises; Marufuku Ramen; Sugar Factory; Yamashiro; and The Baked Bear.

A supplemental Environmental Impact Report (EIR) remains under development for the proposed 6,200-seat outdoor amphitheater. According to the Port of Los Angeles, the supplemental EIR is expected to be released in August 2023.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **MIXED-USE RESIDENTIAL DEVELOPMENT AT 24601 HAWTHORNE BOULEVARD (TORRANCE)**

- *Last Update: December 20, 2022*

In October 2020, silhouettes went up on a vacant lot on the corner of Hawthorne Boulevard and Via Valmonte in Torrance (across the street from the Butcher Solana

site) outlining the visual impacts of a proposed mixed-use residential and office space development.

According to the City of Torrance planning staff, the developer has proposed a three-story, 11-unit apartment mixed-use development with approximately 3,300 square feet of office space and a ground-level parking lot. The project site is located at 24601 Hawthorne Boulevard and falls within their city's Hillside Overlay Area, where silhouettes are required. It is Staff's understanding that the silhouettes were erected prematurely in anticipation of the release of a draft environmental assessment, which will go before the public for review. The project was first proposed by the developer in 2017 and has been downsized in height and square footage.

On June 4, 2021, the City of Torrance released a [draft Mitigated Negative Declaration](#) for a proposed mixed-use development on the northwest corner of Hawthorne Boulevard and Via Valmonte (across from the Butcher-Solana project). Located at 24601 Hawthorne Boulevard, the proposed project consists of an 11-unit, two-story multiple-family residential building over a semi-subterranean parking garage, and a three-story office building.

The analysis found no substantial evidence that the project may have a significant effect on the environment beyond the impacts previously identified and analyzed in the City's 2009 General Plan Environmental Impact Report pertaining to long-term development in the City. It is Staff's understanding that the project is tentatively scheduled to go before the Torrance Planning Commission on July 21, 2021.

On October 6, 2021, the Torrance Planning Commission was scheduled to review a [draft Mitigated Negative Declaration](#) (MND) and consider approving a Conditional Use Permit, Development Permit, and Precise Plan of Development for the proposed project, which has drawn traffic, density, and neighborhood compatibility concerns from nearby residents, including those in the Valmonte neighborhood. The City of Palos Verdes Estates, which borders the project site, sent a letter to the Torrance Planning Commission noting a lack of specific design information available and expressing concerns similar to those previously raised with the adjacent proposed Butcher-Solana project, as well as concerns with the potential combined impacts of both projects. The project developer, Ashai Design Consulting Corporation, agreed to continue the Planning Commission hearing indefinitely in order to conduct public outreach with concerned parties. In-person information sessions were held on October 27 and November 4, 2021 (Staff was unable to attend).

It is Staff's understanding that Ashai Design has taken the public feedback into consideration, but that no new Planning Commission hearing date has been set at this time. Ashai Design's responses to comments on the draft MND are available in the October 6, 2021 Planning Commission staff report, which can be viewed at the following link:

<https://www.torranceca.gov/home/showpublisheddocument/69143/637686761395130000#page=47>

As of June 2022, no new Planning Commission hearing date has been set.

As of December 2022, no new Planning Commission hearing date has been set.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **RANCHO DEL MAR AFFORDABLE HOUSING OVERLAY ZONE (ROLLING HILLS)**

- *Last Update: December 20, 2022*

On November 17, 2020, the City of Rolling Hills issued a Notice of Intent to Adopt an Initial Study and Negative Declaration for the Rancho Del Mar Affordable Housing Overlay Zone, a proposed mixed-use, multi-family overlay zone on a 31-acre site owned by the Palos Verdes Peninsula Unified School District at 38 Crest Road West. The draft Initial Study and Negative Declaration is available at the following link: <https://cms5.revize.com/revize/rollinghillsca/HE%20Initial%20Study%20and%20NegDe.c.pdf>

The site is home to Rancho Del Mar High School, the Beach Cities Learning Center and the Palos Verdes Peninsula Transit Authority (PVPTA).

The City of Rolling Hills is considering the overlay zone as part of an update of its General Plan and to meet its Regional Housing Needs Assessment (RHNA) allocations under the 4th and 5th Cycle RHNA requirements. The proposed overlay zone would allow the addition of 15 multi-family units by right, including low- and very-low income units, in an area west of the PVPTA facility. It would also allow for the continued use of public facilities, schools and transportation facilities at the site.

The proposed zone change in itself does not propose or authorize any new development; therefore, there are no impacts at this time. Any future development would require its own environmental review per the California Environmental Quality Act (CEQA). Comments on the draft Initial Study and Negative Declaration are due on December 17, 2020. Because it cannot be anticipated at this stage what, if any, impacts will occur with any future development, Staff did not offer comments.

In December 2020, Staff attended a virtual meeting the Rolling Hills Planning Commission, which made recommendations to the City Council regarding the Rancho Del Mar Affordable Housing Overlay Zone.

The overlay zone was discussed at several subsequent City Council and Planning Commission meetings and was adopted by the City Council in March 2021. The overlay zone allows the addition of up to 16 multi-family units by-right, including low- and very-low income units, in an area west of the PVPTA facility. It also allows for the continued use of public facilities, schools and transportation facilities at the site. According to City of Rolling Hills planning staff, the California Department of Housing and Community Development has approved the overlay zone. The City of Rancho Palos Verdes did not

submit comments on the overlay zone as the zone change in itself does not propose or authorize any new development. It is Staff's understanding that any new development at the site could be burdensome to a developer due to the lack of a sewer line. There are no proposed projects for the overlay zone at this time.

On December 3, 2021, the City of Rolling Hills released its draft [6<sup>th</sup> Cycle Housing Element](#), which includes the previously-approved Rancho Del Mar Affordable Housing Overlay Zone to help the city meet its Regional Housing Needs Assessment (RHNA) allocation of 45 units.

Rolling Hills expects to submit its draft Housing Element to the California Department of Housing and Community Development (HCD) in January 2022. According to the document, the overlay zone provides the City's best opportunity to meet its requirements for low- and very low-income units. The draft Housing Element notes that PVPUSD has expressed interest in the past in building housing for teachers, and such units could meet income criteria for low-or very low-income units.

The next steps for the overlay zone as outlined in the draft Housing Element include:

- Exploring the feasibility of subdividing the site to create a separate parcel west of the PVPTA transit facility. This site could be more easily marketed as a development opportunity.
- Further discussions with the School Board regarding opportunities for teacher housing and/or senior housing on the site.
- In collaboration with the School District, make information on the site available to affordable housing developers.
- Further discussions with nonprofit developers regarding the opportunity to construct housing on the site, including technical assistance to developers where requested, including potential housing for faculty.
- Consideration of permit streamlining, California Environmental Quality Act (CEQA) clearance, and fee reductions for future affordable housing development on the site. Multi-family housing is already permitted "by right" subject to objective design standards adopted in February 2021, but further steps could be taken to reduce future development costs.

As of June 2022, according to planning staff at the City of Rolling Hills, no developers have expressed interest in developing the site.

According to planning staff at the City of Rolling Hills, the city received a preliminary, informal inquiry in fall 2022 from someone interested in the developing the site. However, no plans have been submitted.

Staff will continue to monitor this issue in future Border Issues Status Reports.

**WESTERN AVENUE BICYCLE PEDESTRIAN IMPROVEMENT PROJECT (CALTRANS)**

- *Last Update: December 20, 2022*

In 2020, Staff was informed that the California Department of Transportation (Caltrans) planned to install bicycle lanes along Western Avenue from 25<sup>th</sup> Street in San Pedro to Carson Street in Torrance as part of an improvement project to enhance connectivity and safety for bicyclists and pedestrians. The project also includes the installation of curb ramps compliant with Americans with Disabilities Act (ADA) standards. This portion of Western Avenue is owned, operated, and maintained by Caltrans as part of the state highway system. The City has no jurisdiction over Western Avenue, but can share feedback and public concerns with Caltrans.

Caltrans presented its plans to the Traffic Safety Committee (TSC) in March 2021, hosted a virtual community-wide presentation in September 2021, and presented to the City Council in February 2022 at which time project-related concerns were conveyed to Caltrans including the need, impacts to traffic flow, impacts caused by reducing lane widths to name a few. A [staff report \(PDF\)](#) and [PowerPoint \(PDF\)](#) going over the project phases, including cross-sections and types of bike lanes, are available on the City website.

In response to concerns expressed by the City Council, Traffic Safety Committee, and staff, Caltrans modified the bike lane component of the project between Summerland Street/Summerland Avenue and Crestwood Street (where there is a restaurant that relies on street parking because of a relatively small parking lot) to preserve on-street parking by widening the southbound roadway lanes into the median to make space for the bike lane without the removal of parking.

One question that has been raised about the project is when it was approved and by whom. According to Caltrans, projects such as the Western Avenue Bicycle Pedestrian Improvement Project are approved by Caltrans and the California Transportation Committee (CTC). Caltrans identifies a need, creates a budget for the need, and the CTC then approves the requested budget.

According to Caltrans, the ADA portion of the Western Avenue Bicycle Pedestrian Improvement Project was first proposed in June 2014, and the budget was first approved by the CTC in March 2016. In March 2018, the ADA portion was deemed Categorical Excluded/Categorical Exempt (CE/CE), meaning the project had an environmental review process but did not need an environmental document. Projects without environmental documents do not have public comment periods. The bicycle lanes were requested to be added to the project in April 2020, and the budget was approved by the CTC in October 2020. The entire scope of the project (ADA curb ramps and bicycle lanes) was revalidated as CE/CE in June 2020 and again in April 2022.

According to Caltrans, Phase One of the project, which consists of the installation of seven ADA-compliant curb ramps, is mostly complete, though some minor corrective work remains.

Phase 2, which will include the installation of nine more ADA-compliant curb ramps within the City, a northbound right-turn lane at Westmont Drive/Delasonde Drive, and re-purposing existing parking lanes into bike lanes, is now scheduled to begin in January 2023. Phase Two is expected to be completed for the entire 8-mile length of the project by April 2024. Caltrans does not plan to include signal timing changes in Phase 2. The Caltrans team will maintain the existing lane widths throughout the City, except at Delasonde Drive/Westmont Drive and Western Avenue. At that location, the width of the right lane will be reduced from 12 feet to 11 feet to accommodate the City's right-turn lane. Caltrans also noted that the right lane will be reduced from approximately 16 feet to 12 feet within the City, which may cause a perceived reduction of lane width.

Caltrans has been invited to return to the City Council to present to the community their proposed revisions to the project since the February 2022 City Council meeting. At this time, Caltrans is tentatively scheduled to be at the September 6, 2022 City Council meeting.

In the meantime, Staff has requested that Caltrans provide the City advance notice of when its contractor intends to begin construction on Phase II to give residents notice and avoid miscommunication like that which occurred when roadwork related to the Ponte Vista project was performed on Western Avenue in 2020.

On September 6, 2022, Caltrans provided an update to the City Council on its project plans. A [staff report and PowerPoint \(PDF\)](#) containing the September project update were presented to the City Council. However, it should be noted that the staff report included an error in the labeling of the bike lanes.

Although the staff report stated the project had been redesigned to eliminate Class II bike lanes in certain locations to allow on-street parking to remain, the Exhibit 3 included labels saying Class III bike lanes and Class II bike routes, whereas a bike lane is Class II and a shared bike route is Class III. The PowerPoint presentation attached to the September 6 staff report included the correct designations, however, some readers may have concluded that the project was being designed as a Class III shared bike route with some limited areas of Class II bike lanes.

The project is being designed as a Class II bike lane with some limited areas of Class III shared bike routes to minimize the need for lane and median width reductions and to accommodate parking in specific locations. The corrected version is shown in Exhibit 1 on page 15 in the [October 4, 2022, staff report](#) regarding various projects along Western Avenue.

The following remain the only two segments where width reductions are occurring:

- 600 feet north of Peninsula Verde Drive to Peninsula Verde Drive in the southbound direction: lane width reduction from 12 feet to 11 feet
- West Weymouth Place to West Santa Cruz Street: 2-foot median width reduction



According to Caltrans, Phase I of the project is now complete, and minor corrective work will be completed in Phase II. Phase II is scheduled to commence construction in February 2023 and complete construction by April 2024.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **PALOS VERDES DRIVE WEST CORRIDOR PROJECT (PALOS VERDES ESTATES)**

- *Last Update: December 20, 2022*

In 2019, the City of Palos Verdes Estates began exploring ways to alleviate traffic congestion along the Palos Verdes Drive West (PVDW) corridor, including its intersections with Via Corta and Palos Verdes Drive North. To expedite improvements at PVDW/Via Corta, the City Council separated this intersection from the rest of the corridor as [Phase 1](#), with the goal of applying for construction funding in 2022.

A feasibility study was then conducted for Phase 1, which considered several options and identified two alternatives which would improve safety and reduce traffic congestion: a signalized intersection and a two-lane roundabout. Both options were presented to a joint Traffic Safety Committee and City Council meeting in February 2022 and at several public meetings in March. At another joint Traffic Safety Committee and City Council meeting on March 16, the roundabout was selected as the preferred option for both the environmental review and an application for Los Angeles County Metropolitan Transportation Authority (Metro) construction funding.

On June 2, 2022, the City Council was given an update on the status of the design of the roundabout, with options for mitigating the removal of parking spaces to accommodate the conversion of the intersection into a roundabout. A [staff report \(PDF\)](#) is available on the Palos Verdes Estates website. Additional public outreach is set to be conducted this summer so that a preferred plan for parking mitigation can be selected. A draft environmental document would then be prepared this fall for release in November. Construction is expected to begin as early as late spring 2023 and take less than a year to complete.

On August 22, 2022, the Palos Verdes Estates City Council held a special meeting to receive an update on the design for the proposed roundabout at the intersection of Palos Verdes Drive West and Via Corta. At the conclusion of the meeting, the City Council directed staff to discontinue work on the roundabout design and to return at a future meeting with recommendations related to project implications, improving the intersection's performance, and community engagement. The action to discontinue work was memorialized by a subsequent vote on September 27, 2022.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **GEORGE F CANYON NATURE CENTER RENOVATION PROJECT (ROLLING HILLS ESTATES)**

- *Last Update: December 20, 2022*

On June 7, 2022, the City of Rolling Hills Estates issued a Notice of Intent to Adopt a [Mitigated Negative Declaration \(MND\) for the George F Canyon Nature Center Renovation Project \(PDF\)](#), which calls for the demolition of the aging George F Canyon Nature Center on the southwest corner of Palos Verdes Drive North and Palos Verdes Drive East and the construction of a new nature center/community center.

Built in the 1950s, the city-owned George F Canyon Nature Center, which is jointly operated by the Palos Verdes Peninsula Land Conservancy, provides educational and recreational programs with exhibits focusing on local flora and fauna in the adjacent 51-acre George F Canyon Preserve and Stein/Hale Nature Trail. Rolling Hills Estates has spent several years exploring building a modernized nature center that would also serve as a meeting place for local organizations. The existing center consists of a single-story, 700-square-foot building, a 750-square-foot wood deck/gathering area, an outdoor amphitheater, and a parking area with approximately 22 spaces.

The new facility would include a single-level, 1,750-square-foot nature center/community room building with a viewing deck, a 1,000-square-foot outdoor classroom area with a photovoltaic (PV) shade canopy, storage enclosures, a boardwalk with a canyon overlook, privacy screen, community-preferred fencing, gate, and associated parking and drop-off spaces, increasing the overall size of the facility to 3,290 square feet. The outdoor amphitheater would remain and be accessed by a new boardwalk ramp from a central court between the nature center and the covered outdoor classroom area. The overall project has been downsized from a 5,500-square-foot version that was considered in 2019.

The parking lot would remain on the north side of the project site and would be accessed from Palos Verdes Drive East and Hitching Post Drive, with pedestrian access along Palos Verdes Drive North. The project also includes roadway improvements along an approximately 1,800-foot-long by 12-foot-wide segment of Palos Verdes Drive East from Palos Verdes Drive North to Harbor Sight Drive to accommodate approximately 26 additional parking spaces, a bicycle lane with a safety buffer, red curbs, and “no stopping any time” signs. New and replacement guardrails would also be installed. The roadway improvements would require realignment of the existing roadway edgeline within the existing road right-of-way, but would not require road closures.

Construction on the new nature center would start in summer 2023 and last for 12 to 18 months.

The public review and comment period on the Initial Study closes on June 27, and a public hearing to consider the project and proposed MND will be presented to the Planning Commission on July 11, 2022. Staff plans to attend the meeting.



On July 11, 2022, the Rolling Hills Estates Planning Commission held a public hearing for the City's proposed George F Canyon Nature Center Renovation Project. The Planning Commission recommended the City Council approve a Precise Plan of Design (PPD) application and Initial Study (IS) with a proposed Mitigated Negative Declaration (MND) (ISMND) for the project, with recommendations regarding project signs, fencing, lighting, and ADA compliance in parking overflow areas.

The project was approved by the City Council on August 23, 2022. It is Staff's understanding that construction documents are being finalized and work could begin as soon as summer or fall 2023 and last for 12 to 18 months.

In September 2022, the City of Rolling Hills Estates announced it was awarded \$1.2 million from the California Department of Parks and Recreation to support construction of the overall \$2 million project. Remaining costs are to be funded through a variety of state and local public sources and donations to the city's nonprofit Pepper Tree Foundation.

Staff will continue to monitor this issue in future Border Issues Status Reports.

### **STARBUCKS DRIVE-THRU AT 28110 SOUTH WESTERN AVENUE (LOS ANGELES (SAN PEDRO))**

- *First Update: December 20, 2022*

In December 2021, the Kaidence Group, a Phoenix-based commercial real estate developer, [submitted an application](#) to the City of Los Angeles Planning Department for a Starbucks drive-thru in the Garden Village Shopping Center in San Pedro on Western Avenue just north of Westmont Drive.

The proposed 2,178-square-foot drive-thru coffee shop at 28110 South Western Avenue would be constructed at a site currently occupied by a vacant bank building and would include indoor and outdoor seating accommodating approximately 53 seats (29 indoor and 24 outdoor), and nine standard parking spaces, with two short-term and two long-term bicycle spaces. The drive-thru lane could accommodate 10 cars (15 total without blocking the common driveway), and hours of operation would be 4 a.m. to midnight daily.

On February 14, 2022, Staff attended a virtual meeting of the Northwest San Pedro Neighborhood Council, which included a [presentation \(PDF\)](#) of project plans. It is Staff's understanding that if the drive-thru is approved and constructed, the Starbucks currently operating in the southeast corner of the shopping center would close.

As of December 2022, it is Staff's understanding that the project is on hold at the moment as the developer is working out negotiations with property owner.

Staff will continue to monitor this issue in future Border Issues Status Reports.

## **MIXED-USE RESIDENTIAL DEVELOPMENT ON HAWTHORNE BOULEVARD NEAR ROLLING HILLS ROAD (TORRANCE)**

- *Last Update: December 20, 2022*

Recently, silhouettes went up on a set of seven vacant parcels along the east side of Hawthorne Boulevard just north of Rolling Hills Road in Torrance outlining the visual impacts of a proposed mixed-use residential and office space development.

According to the City of Torrance planning staff, the developer has proposed an 18-unit apartment mixed-use development with 5,745 square feet of office space, merging the seven parcels into one, and waiving the rear yard setback requirement on properties located within the city's Hillside Overlay Area.

It is Staff's understanding that the project application is incomplete at this time and no date for a public hearing has been set. Additionally, the project will not require an environmental review because it meets the parameters of California Environmental Quality Act (CEQA) Guidelines Section 15332, meaning it is considered an "infill" development project. This exemption is intended to promote infill development, which is defined by the Governor's Office of Planning and Research as "building within unused and underutilized lands within existing development patterns, typically but not exclusively in urban areas."

As of December 2022, according to City of Torrance planning staff, the project is being redesigned by the developer.

Staff will continue to monitor this issue in future Border Issues Status Reports.