

Innovation, Grants, Technology,
Commerce and Trade Committee

November 1, 2016



EAGLE MARINE SERVICES, LTD. PROPOSED NINTH AMENDMENT TO PERMIT NO. 733



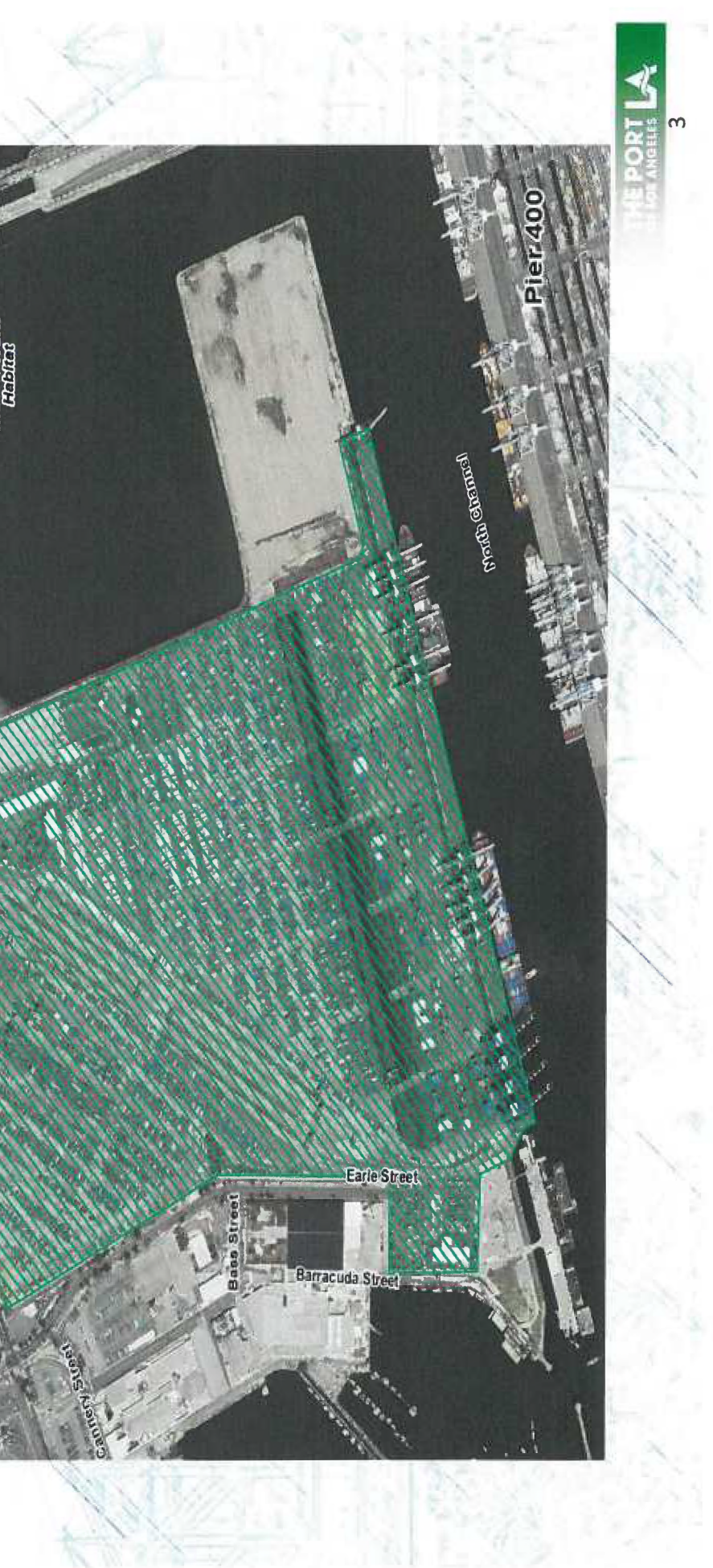
THE PORT
OF LOS ANGELES 





BACKGROUND

- Permit No. 733, for a 30-year term, granted to Eagle Marine Services (EMS) on September 10, 1993
- EMS is a subsidiary of American President Lines (APL)
- In 1997, Neptune Orient Lines (NOL), a Singapore-based holding company, purchased APL





EIS/EIR CERTIFICATION

- Upon completion of the adjacent 41-acre landfill, discussions commenced to develop this area
- EIS/EIR - certified by the Board of Harbor Commissioners in 2012
- The project studied in the 2012 EIS/EIR included:
 - *addition of the 41-acre area to the premises*
 - *developing that area as terminal backland*
 - *creation of a new Berth 306 (1,250 linear feet)*
 - *installation of eight new cranes at Berths 306 (together with 4 new cranes at Berths 302-305, plus 12 existing cranes, for a total of 24 cranes)*



PROJECT STATUS

- Since certification of the 2012 EIS/EIR, EMS and the Port of Los Angeles (Port) have considered various project alternatives with varying elements and levels of operation.
- Despite years of discussion and analysis and the certification of the 2012 EIS/EIR, EMS and the Port did not agree to a final project.
- During this time (2013), 4 new cranes were installed at Berth 302-305.
- Concurrently, due to economic downturn, the shipping industry began the consolidation of shipping lines and formation of alliances.



ALLIANCE OUTLOOK BY Q2 2017

Ocean Alliance



THE Alliance



H2M



* Lines that have merged or combined through acquisition



ACQUISITION OF NOL BY CMA CGM

- NOL was recently acquired by CMA CGM.
- As part of the acquisition, EMS leasehold interests at Pier 300, as well as APL, were acquired.
- CMA CGM desires to extend the utilization of the terminal.
- As a result, CMA CGM approached the Port for a term extension.



PROPOSED TERMS

- An extension of the existing term of the Permit by 16 years from 2027 to 2043 for financial stability, for a total of 50 years
- Replacement of 8 existing cranes
- Applicability of Tariff No. 4 to EMS consistent with other container tenants
- Implementation of the original Final EIR MMRP with revisions to reflect new lease start date
- No development of Berth 306 or adjacent backland area



JUSTIFICATION

- Maintains cargo throughput, and resultant jobs stability, by extending the occupancy of the premises.
- Guarantees the continuation and predictability of revenue.
- Provides consistency in utilization of Tariff No. 4 provisions, as amended.
- Incorporates the mitigation measures from the 2012 EIR.
- Therefore, this permit amendment is in the best interest in the City of Los Angeles.



REQUEST OF THE COUNCIL

- Consider the determination by the Board of Harbor Commissioners that the proposed action is consistent with CEQA and, in accordance with the Addendum to the certified EIR prepared for the Berth 302-306 APL Container Terminal Project (2012), the finding of no new significant impacts or effects than those previously analyzed in the 2012 EIR, and;
- Approve Harbor Department Resolution No. 16-8009 authorizing the 9th Amendment to Permit No. 733, including the revised Mitigation Monitoring and Reporting Program, and the finding that this permit Extension is in the best interest of the City.



QUESTIONS OR COMMENTS?