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**Title:** CONTINENTAL MARITIME OF SAN DIEGO, LLC (FORMERLY HII SAN DIEGO SHIPYARD, INC.)  
 FACILITY IMPROVEMENT PROJECT AT 1995 BAY FRONT STREET IN SAN DIEGO:

A) ADOPT RESOLUTION ADOPTING ADDENDUM NO. 1 TO THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE "HII SAN DIEGO SHIPYARD, INC. MARGINAL WHARF REPAIR AND AS-NEEDED PILE REPLACEMENT PROJECT" AND AUTHORIZING STAFF TO FILE A NOTICE OF DETERMINATION

B) ADOPT RESOLUTION AUTHORIZING ISSUANCE OF A NON-APPEALABLE COASTAL DEVELOPMENT PERMIT TO CONTINENTAL MARITIME OF SAN DIEGO, LLC FOR THE FACILITY IMPROVEMENT PROJECT

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 8. 2022-0235 Attachment A, 2. 8. 2022-0235 Attachment B, 3. 8. 2022-0235A Draft Resolution, 4. 8. 2022-0235B Draft Resolution, 5. 8. ARMS Memo re Continental Maritime CEQA Documents

Date	Ver.	Action By	Action	Result
9/13/2022	1	Board of Port Commissioners	adopted	

**DATE:** September 13, 2022

**SUBJECT:**

CONTINENTAL MARITIME OF SAN DIEGO, LLC (FORMERLY HII SAN DIEGO SHIPYARD, INC.) FACILITY IMPROVEMENT PROJECT AT 1995 BAY FRONT STREET IN SAN DIEGO:

A) ADOPT RESOLUTION ADOPTING ADDENDUM NO. 1 TO THE FINAL MITIGATED NEGATIVE DECLARATION FOR THE "HII SAN DIEGO SHIPYARD, INC. MARGINAL WHARF REPAIR AND AS-NEEDED PILE REPLACEMENT PROJECT" AND AUTHORIZING STAFF TO FILE A NOTICE OF DETERMINATION

B) ADOPT RESOLUTION AUTHORIZING ISSUANCE OF A NON-APPEALABLE COASTAL DEVELOPMENT PERMIT TO CONTINENTAL MARITIME OF SAN DIEGO, LLC FOR THE FACILITY IMPROVEMENT PROJECT

**EXECUTIVE SUMMARY:**

Continental Maritime of San Diego, LLC (CMSD) (formerly HII San Diego Shipyard, Inc.), as the project proponent, proposes a facility improvement project at its shipyard leasehold located at 1995 Bay Front Street in San Diego (Attachment A, Exhibits 1 and 2). The proposed project consists of

three components: (1) structural repair of the existing quay wall including rubble removal; (2) removal and improvement of Pier 4/Wharf 4; and (3) removal of deteriorated Piers 1, 5, and 7 (collectively, “Project or “Updated Project”) (Attachment A, Exhibits 3 through 8).

In accordance with the California Environmental Quality Act (CEQA), Addendum No. 1 to the Final Mitigated Negative Declaration (MND) for the “HII San Diego Shipyard, Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project,” dated September 2022 (Attachment B), has been prepared to analyze the minor changes proposed by the CMSD Project. The First Addendum analyzes the changes from the previous HII San Diego Shipyard, Inc. project analyzed in the Final MND (UPD #MND-2019-013; SCH #2019011069; Clerk Doc. No. 69876). Additionally, the First Addendum documents that none of the conditions in CEQA Guidelines Section 15162, triggering preparation of a Subsequent MND, has occurred. Approval of the First Addendum is recommended in accordance with CEQA Guidelines Section 15164.

Furthermore, entitlement of the Project requires issuance of a Non-Appealable Coastal Development Permit (CDP) (Attachment A). As conditioned, the Project is consistent with the certified Port Master Plan (PMP) and Chapters 3 and 8 of the Coastal Act.

### **RECOMMENDATION:**

Continental Maritime of San Diego, LLC Facility Improvement Project at 1995 Bay Front Street in San Diego:

A) Adopt resolution adopting Addendum No. 1 to the Final MND for the “HII San Diego Shipyard, Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project” and authorizing staff to file a Notice of Determination

B) Adopt resolution authorizing issuance of a Non-Appealable CDP to Continental Maritime of San Diego, LLC for the Facility Improvement Project

### **FISCAL IMPACT:**

The proposed Board actions will have no fiscal impact to the District. CMSD currently pays the District annual flat rent in the amount of \$1,364,652, which would not change as a result of this Board action. CMSD would continue to be responsible for all applicable costs associated with the entitlement, construction, and operation of the Project. This agenda item is subject to Board Policy No. 106 - Cost Recovery User Fee Policy.

### **COMPASS STRATEGIC GOALS:**

This agenda item supports the following Strategic Goal(s).

- A thriving and modern maritime seaport.
- A Port with a healthy and sustainable bay and its environment.
- A Port that is a safe place to visit, work and play.
- A financially sustainable Port that drives job creation and regional economic vitality.

### **DISCUSSION:**

## Background

CMSD (formerly HII San Diego Shipyard, Inc. or "HII") began its shipyard operations at its 27.3-acre leasehold located at 1995 Bay Front Street, San Diego, CA 92113 in 1985. CMSD repairs and maintains military and other seagoing vessels and its operations involve onshore construction equipment, support buildings, wharves, and piers. The piers and associated marginal wharves are made of wood, steel and concrete and are essential to the shipyard's operations. These facilities are inspected on a regular basis. Inspections had determined that many of the piers, marginal wharves and/or support piles were in need of repair or replacement as they had been in use for over 60 years and were aged and/or deteriorated to the extent that they are at the end of their serviceable life. In 2017, HII submitted an application for a marginal wharf repair and as-needed pile replacement project (2019 HII Project). The 2019 HII Project went through the entitlement process, and on April 9, 2019, the Board adopted the Final MND for the "HII San Diego Shipyard Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project" (UPD #MND-2019-013; SCH #2019011069; Clerk Doc. No. 69876) by Resolution No. 2019-040; granted concept approval to HII; and authorized issuance of a Non-Appealable CDP to HII. The HII San Diego Shipyard is now known as Continental Maritime of San Diego or CMSD.

Recent inspections conducted by CMSD have identified that the timber deck portions of Pier 4 and its marginal wharf (Wharf 4) have deteriorated to a point where they are in need of repair and maintenance. If the timber deck portions of Pier 4 and Wharf 4 are not repaired, berthed vessels could exert sufficient stress onto these structures, creating damage and safety issues for both the structures and the surrounding environment. Further, portions of the existing concrete rubble quay wall along the facility are deteriorated and considered structurally insufficient to perform daily shipyard activities. Thus, it is necessary to remove and replace a portion of Pier 4 and Wharf 4 and to structurally reinforce the existing quay wall to bring these structures up to new engineering standards that would protect the existing structures. These repairs would allow vessels to safely moor at the pier and improve the safety of daily operations. In addition, recent inspections have determined that Piers 1, 5 and 7, including their damaged decks and support piles, have become deteriorated to the extent that they are at the end of their serviceable life and should be removed.

On August 17, 2022, CMSD presented its facility improvement project to the Barrio Logan Community Planning Group to ensure group members were aware of the Project.

## Proposed Project

The Updated Project includes the following in-water construction: structural repair of the existing quay wall including rubble removal (Component 1), removal and improvement of Pier 4/Wharf 4 (Component 2), and removal of deteriorated Piers 1, 5 and 7 (Component 3) as further described below (Attachment A, Exhibit 3).

### Component 1 - Structural Repair of Existing Quay Wall

Portions of the existing concrete rubble quay wall would be reinforced under the Project, including a 425-linear foot stretch along the shoreline from Pier 1 to Pier 4 and a 160-linear-foot stretch along Wharf 7. The quay wall would be reinforced by installing steel sheet pile (type ZZ 26-700) along the outer edge of the quay wall. A concrete cap would be installed on top of the sheet pile. The area between the existing and proposed quay wall would be backfilled with cementitious slurry.

Approximately 20 to 25 tons of rubble would be removed from the intertidal area along the quay wall

between Wharf 2 and Pier 4. The rubble would be removed from the landside using an excavator to extract the rubble without disturbing the bay bottom. Once removed, the majority of the rubble will be reused to reinforce the existing quay wall. A small portion may be disposed of at the Otay Landfill if needed. The removal of rubble from this area will increase the availability of soft bottom habitat suitable for eelgrass growth. (Attachment A, Exhibits 4 through 6)

### Component 2 - Removal and Improvement of Pier 4/Wharf 4

Pier 4 is a 704-foot-long pier consisting of a 478-foot-long timber access pier inshore, and a 226-foot-long concrete structure at the seaward end. The Project would include the following at Pier 4:

- Demolition of the 478-foot-long by 26-foot-wide (12,428 SF) timber portion of the Pier 4 deck and improvement with a 478 foot-long by 47-foot-wide (22,466 SF) concrete deck.
- Demolition of five (5) mooring dolphins (108 SF total) associated with Pier 4.
- Demolition of timber Marginal Wharf 4 (3,583 SF) and improvement with a concrete wharf (3,070 SF).

The Project proposes to replace the old 478-foot-long by 26-foot-wide (12,428 SF) timber section of the Pier 4 deck with a 478 foot-long by 47-foot-wide (22,466 SF) concrete deck that would match the existing 47-foot-wide concrete section of Pier 4. The improvement of Pier 4 includes removal and replacement of 170 18-inch deteriorated timber support piles, 82 HP18 steel fender H-piles, and 52 16-inch square timber fender piles. The improved deck would be connected to the existing concrete portion of the pier with an expansion joint. The pier would continue to extend a total of approximately 704 feet into San Diego Bay. The new concrete improved pier would be equipped with four fender stations and 11 floating marine camels and would be supported by 90 24-inch octagonal concrete support piles, 20 24-inch square concrete fender piles and 71 12-inch round fiberglass fender piles.

The existing 10,638 SF concrete portion of Pier 4 would remain in place under the Project. Some minor additions would also be made to the existing concrete portion, including equipping the concrete portion with six fender stations and two corner fender systems.

The Project also would include the construction of a 3,070 SF concrete deck at Wharf 4, which would extend the wharf approximately 43 feet into San Diego Bay and encompass approximately 71 feet of nearshore area. The construction of the new Wharf 4 area would require the removal of 47 18-inch timber piles and the installation of 15 24-inch octagonal concrete support piles. Replacement for all piles, when feasible, would be completed using a vibratory hammer to reduce noise and vibratory impacts to the surrounding environment. (Attachment A, Exhibits 7 and 8)

### Component 3 - Removal of Deteriorated Piers 1, 5 and 7

The Updated Project proposes the complete removal of Piers 1, 5 and 7 along with their deteriorated support piles, as discussed further below. (Attachment A, Exhibit 3)

- *Removal of Pier 1* - Due to the deteriorated condition of Pier 1 and associated safety concerns, the Project proposes to remove the remaining 6,425 SF timber portion of Pier 1. The pier and its associated 118 wooden piles would be removed and would not be replaced.
- *Removal of Pier 5* - Due to the deteriorated condition of Pier 5 and safety concerns, Pier 5 is currently not being utilized. The Project proposes to demolish the 172-foot by 24-foot (4,128 SF) timber pier, including its timber deck and 72 deteriorated timber piles. The pier and the

piles would be removed and would not be replaced.

- Removal of Pier 7 - Due to the deteriorated condition of Pier 7 and associated safety concerns, the Project proposes to remove the remaining portions of Pier 7, which includes approximately 3,571 SF of timber deck and 85 wooden piles. The pier and the piles would be removed and would not be replaced.

### Project Construction and Phasing

Construction activities for the Project are anticipated to begin in the mid- to late-2022 and would be completed by the end of 2026. Construction would occur in two phases for a duration of approximately 11 months spread out over an approximately 4.5-year period. Typical daily construction hours are expected to be from 7:00 AM to 4:00 PM Monday through Friday and are anticipated to require 5 construction workers per phase of construction. The number of haul trucks used would vary by phase depending on the number of piles to be replaced and the square footage of pier demolition and reconstruction; regardless of phase, however, the number of weekly haul truck trips would be minimal (2 haul truck trips per week on average).

Phase 1 would involve the removal of existing rubble and reinforcement of the existing quay wall. This phase would begin in late-2022 and end in mid-2023 and would take approximately 3 months to complete.

For Phase 2, Piers 1, 5, and 7 would be removed in conjunction with the Pier 4 and Wharf 4 removal. This phase would begin in late-2023 and end in late-2026 and would take approximately 8 months spread out over a 4-year period (2023-2026). Active work would take place between September 15 and March 31 annually to avoid the California least tern nesting season.

### Fill from Piles and Overwater Coverage

Pile removal for the Project would include the removal of 626 piles (fill reduction of 989 SF) and replacement of 196 piles and sheet pile installation for quay wall reinforcement (fill increase of 515 SF), resulting in an overall net reduction of 474 SF of fill from piles. (Attachment A, Table 1)

The removal and improvement of the timber portions of Pier 4 and the Wharf 4 deck will result in an increase in overwater coverage of 9,525 SF. However, the removal of Piers 1, 5, and 7 will result in a reduction of 14,124 SF of overwater coverage. This will result in an overall net reduction of 4,599 SF of overwater coverage once all Project components are implemented. (Attachment A, Table 2)

### **Coastal Development Permit**

The Project site is located in Planning District 4, Tenth Avenue Marine Terminal, which is delineated on Precise Plan Map Figure 13 of the certified PMP. The PMP land and water use designations within the limits of the Project are Marine Related Industrial and Specialized Berthing. The Project is the removal, improvement, and repair of existing in-water facilities at the shipyard and is consistent with the existing certified land and water use designations; therefore, the Project conforms to the certified PMP.

The Project constitutes “development” under Section 30106 of the California Coastal Act as it will involve the demolition and construction of structures. Accordingly, a Coastal Act authorization from the District is required. Pursuant to the District’s CDP Regulations, the Project has been determined to be a “non-appealable” development because it is not considered an “excluded,” “emergency,” or

“appealable” development. Additionally, Coastal Act Section 30715 lists the sole categories of development that are appealable, and the Project is not within these categories of development. Therefore, the Project requires authorization of a Non-Appealable CDP.

The Project is located between the sea (as defined in the Coastal Act) and the first inland continuous public road paralleling the sea. The Project is fully consistent with Public Resources Code Sections 30604(c), 30210-30224, and the Coastal Act public access and recreation policies referenced therein since the Project is the removal, improvement, and repair of existing in-water facilities in a working shipyard that does not provide any public access amenities. A copy of the draft CDP is provided as Attachment A to this Agenda Sheet. Special conditions are incorporated into the CDP to ensure the Project’s conformance with the Final MND’s Mitigation, Monitoring, and Reporting Program (MMRP) and related District requirements.

### **General Counsel’s Comments:**

The Office of the General Counsel has reviewed this agenda sheet and attachments, as presented to it, and approves the same as to form and legality.

### **Environmental Review:**

In accordance with CEQA statutes and guidelines, on April 9, 2019 by Resolution No. 2019-040, the Board adopted the Final MND for the “HII San Diego Shipyard Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project,” (UPD #MND-2019-013; SCH #2019011069; Clerk Doc. No. 69876), which analyzed potential impacts associated with the 2019 HII Project, which included repair, and reconfiguration or replacement of existing in-water facilities. Also on April 9, 2019, the Board adopted the MMRP.

Addendum No. 1 to the Final MND for the “HII San Diego Shipyard Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project,” dated September 2022 (Attachment B), has been prepared to analyze the minor changes proposed in CMSD’s updated Project, including structural repair of the existing quay wall, removal and improvement of Pier 4/Wharf 4, and removal of deteriorated piers (collectively “Updated Project” for descriptive purposes herein), and to document that none of the conditions in CEQA Section 21166 and CEQA Guidelines Section 15162, triggering preparation of a Subsequent MND, has occurred. Approval of the First Addendum is recommended in accordance with CEQA Guidelines Section 15164. The First Addendum analyzes the Updated Project and if adopted will become a chapter of the Final MND. Staff has reviewed the Updated Project and determined that (1) the Updated Project is within the scope of the Final MND; and (2) there will not be any new or more significant impacts or required new mitigation measures not previously identified in the Final MND or MMRP previously adopted by the Board.

The analysis included in the First Addendum to the Final MND concludes that the Updated Project would result in substantially similar impacts to those analyzed in the Final MND. The First Addendum to the Final MND also concludes that (1) analyses and conclusions in the Final MND remain current and valid; (2) that the Updated Project would not cause new or substantially more severe significant effects than those identified in the Final MND; (3) no new mitigation measures would be required; (4) that no change has occurred with respect to circumstances surrounding the Updated Project that would cause new or substantially more severe significant environmental effects than identified in the Final MND; and (5) that no new information has become available that show that the Updated Project would cause significant environmental effects not already analyzed in the Final MND. As such,

pursuant to CEQA Guidelines Section 15164, and based on the information provided in the First Addendum to the Final MND, the analysis for the Updated Project has been appropriately addressed. If the Board approves any discretionary action to carry out the Updated Project, District staff will file a Notice of Determination pursuant to CEQA Guidelines Section 15094.

The Final MND and Addendum No. 1 to the Final MND were previously provided to the Board via a Board Memo (Agenda-Related Materials) dated September 8, 2022. The Final MND and the First Addendum to the MND can be accessed on the District's website at:

<https://www.portofsandiego.org/public-records/port-updates/notices-disclosures/ceqa-documents>  
<<https://www.portofsandiego.org/public-records/port-updates/notices-disclosures/ceqa-%20documents>>.

In addition, the Proposed Board actions comply with Section 87 of the Port Act, which allows for the establishment, improvement, and conduct of a harbor, and for the construction, reconstruction, repair, maintenance, and operation of wharves, docks, piers, slips, quays, and all other works, buildings, facilities, utilities, structures, and appliances incidental, necessary, or convenient, for the promotion and accommodation of commerce and navigation. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed project is consistent with the Public Trust Doctrine.

#### **Diversity, Equity, and Inclusion Program:**

This agenda sheet has no direct impact on District workforce or contract reporting at this time.

#### **PREPARED BY:**

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#### **Attachment(s):**

Attachment A: Draft Coastal Development Permit

Attachment B: Addendum No. 1 to the Final MND for the HII San Diego Shipyard Inc. Marginal Wharf Repair and As-Needed Pile Replacement Project