



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE:** NOVEMBER 20, 2025

**FROM:** CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF THE FIRST AMENDMENT TO MASTER JOINT REVOCABLE PERMIT NO. 14-13 BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT, PORT OF LONG BEACH AND CRIMSON CALIFORNIA PIPELINE, L.P.

**SUMMARY:**

Staff requests approval of the First Amendment (Amendment) to Master Joint Revocable Permit No. 14-13 (MJRP) between Crimson California Pipeline, L.P (Crimson), and the City of Los Angeles Harbor Department (Harbor Department or POLA) and the Port of Long Beach (POLB) (collectively, the Ports), as joint owners. The Amendment permits Crimson to operate and maintain 13 existing subsurface pipelines (Facilities) located on the Alameda Corridor, former Union Pacific Railroad San Pedro Branch; the former Southern Pacific Railroad Long Beach Lead; and the former Atchison, Topeka and Santa Fe Railroad (collectively Railroad Right-of-Way). The primary purpose of the Amendment is to consolidate Crimson's Facilities into one master agreement under the MJRP by adding 11 new pipelines to the agreement, increase the permit fee due under the MJRP and update defined terms in the MJRP to reflect pipeline usage and terminology contained in the current permit template. Staff further requests the approval of Crimson's affiliate corporate guaranty from Crimson Midstream Operating, LLC (Guaranty).

Under the Amendment, the Ports will receive \$18,492.25 in annual revenue, subject to an annual Consumer Price Index (CPI) increase. The Harbor Department will receive a 50 percent share of the revenue, which equates to \$9,246.13 annually.

The Amendment requires approval from both Ports' Board of Harbor Commissioners. The POLB Board of Harbor Commissioners approved this Amendment at its regular meeting on September 17, 2025.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) under Section 15301 of the State CEQA Guidelines;

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2. Approve the proposed First Amendment to Master Joint Revocable Permit No. 14-13 between Crimson California Pipeline, L.P., and the City of Los Angeles Harbor Department and Port of Long Beach for the operation and maintenance of existing subsurface pipeline facilities;
3. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Master Joint Revocable Permit No.14-13;
4. Approve the Guaranty provided by Crimson Midstream Operating, LLC for Master Joint Revocable Permit No. 14-13; and
5. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – On December 22, 1994, the Harbor Department and POLB jointly purchased properties as part of the Alameda Corridor construction project; each owning an undivided 50 percent fee interest, from the multiple railroads acquired including the Southern Pacific Railroad (SP) San Pedro Branch and the Union Pacific Railroad (UPRR) San Pedro Branch. In addition, the railroads assigned all railroad agreements, leases, and licenses relating to third-party users of railroad right-of-way (ROW) to the Ports. The Ports formed the Alameda Corridor Transportation Authority (ACTA) to acquire additional right-of-way and construct the Alameda Corridor. The former UPRR San Pedro Branch was to serve as a secondary route to the Alameda Corridor.

On October 12, 2015, the Ports entered into the MJRP agreement with Crimson entitling Crimson to install, operate and maintain two new underground pipelines on portions of the Alameda Corridor and the former SP San Pedro Branch. The proposed Amendment adds 11 pipelines to the agreement for a total of 13 Facilities in the ROW (Transmittal 1). The Amendment (Transmittal 2) will consolidate agreements and previously undocumented Crimson’s facilities into one master agreement under the MJRP and improve record keeping and the administration of entitlements. This consolidation is beneficial to the Ports because it ensures that all of Crimson’s pipelines are properly documented and subject to the insurance and indemnity provisions as well as other contractual protections that are in place for the Ports.

Additionally, the proposed Amendment modifies permit language to reflect current standard terms and provisions, including such items as the Consumer Price Index reference, permit records requirements, provisions for the submittal of Permittee’s plans, notification requirements for relocation of the Facilities and upon release of hazardous substances, general notification sections and numerous exhibit updates to Exhibits A-E. Material changes to the terms of the MJRP are identified below.

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Proposed Amendment to MJRP

<u>Provisions</u>	<u>Current MJRP Terms</u>	<u>Proposed Amendment</u>
Premises	2 facilities totaling 1,045 square feet	13 facilities totaling 9,496 square feet
Compensation <sup>1</sup>	<ul style="list-style-type: none"> <li>• \$5,416.55 per year subject to annual increases based on CPI.</li> <li>• Compensation is split equally between the Ports; the Harbor Department receives \$2,708.28 per year</li> </ul>	<ul style="list-style-type: none"> <li>• \$18,492.25 per year subject to annual increases based on CPI.</li> <li>• Compensation is split equally between the Ports; the Harbor Department receives \$9,246.13 per year</li> </ul>
Restoration Following Hazardous Substances Release	Restoration of Permit Areas to the condition in prior to release	Restoration of Permit Areas to the condition in prior to release to the reasonable satisfaction of the Cities
Guarantor (Transmittal 3)	None	Crimson Midstream Operating, LLC
Notes: <sup>1</sup> See Exhibit A-1 & C-1 of Transmittal 2 for additional details.		

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of the Amendment to the MJRP with Crimson to operate and maintain 13 existing subsurface pipelines, which is an activity involving the operation, maintenance, or permitting of existing public or private structures or facilities involving negligible or no expansion of existing or former use. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Section 15301 of the State CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed Amendment will result in Crimson paying the Harbor Department and POLB annual permit fees of \$18,492.25, of which the Harbor Department will be entitled to receive 50 percent in the amount of \$9,246.13 per year, subject to annual adjustments based on the CPI.

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Under Section 15.1.2 of the MJRP, Crimson is required to carry \$25,000,000 in Environmental Impairment Liability Insurance, and staff has verified that Crimson currently maintains this level of coverage through November 2026. To further supplement this coverage, Crimson has provided a corporate guaranty.

Crimson, at its sole cost and expense, shall maintain and repair all improvements on the premises.

**CITY ATTORNEY:**

The Office of the City Attorney has reviewed and approved the proposed First Amendment to Master Joint Revocable Permit No. 14-13 as to form and legality.

**TRANSMITTALS:**

- 1) Site Map
- 2) Crimson First Amendment to Master Joint Revocable Permit No. 14-13
- 3) Guaranty - Crimson Midstream Operating, LLC

FIS Approval: JS (initials)  
CA Approval: SA (initials)

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APPROVED:

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