



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the

Board of Harbor Commissioners

DATE: MAY 1, 2013

FROM: REAL ESTATE

SUBJECT: RESOLUTION NO. _____ - PROPOSED JOINT REVOCABLE PERMIT AMONG THE CITY OF LOS ANGELES HARBOR DEPARTMENT, PORT OF LONG BEACH, AND COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY - LAHD NO. 70057

SUMMARY:

As part of the Alameda Corridor project, the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB) jointly acquired railroad properties between downtown Los Angeles and the San Pedro Bay and now manage and maintain such properties.

Harbor Department staff seeks approval of the proposed non-exclusive Joint Revocable Permit (JRP) among the Harbor Department, POLB, and the County Sanitation District No. 2 of Los Angeles County (County Sanitation District) for the installation of a 90" sewer pipeline. The proposed sewer pipeline is being installed as an auxiliary pipeline that will handle a portion of the sewage currently flowing through an existing sewer pipeline in the same vicinity. The proposed pipeline will cross through a small section of the jointly-owned right-of-way (ROW) along the Alameda Corridor, located between Lomita Boulevard and Watson Road.

RECOMMENDATION:

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

1. Approve the proposed Joint Revocable Permit with the County Sanitation District No. 2 of Los Angeles County;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the proposed Joint Revocable Permit; and
3. Adopt Resolution No. _____.

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SUBJECT: PROPOSED JOINT REVOCABLE PERMIT WITH THE COUNTY
SANITATION DISTRICT NO. 2 - LAHD NO. 70057

DISCUSSION:

Background/Context – From 1992 through 1995, the Harbor Department and POLB jointly purchased properties along Southern Pacific Railroad Company (SPRR), Union Pacific Railroad Company (former San Pedro Branch), and Atchison, Topeka and Santa Fe Railway Company ROW in the County of Los Angeles as part of the Alameda Corridor construction project. The railroad property in the SPRR ROW was acquired to serve as the main rail line, and the railroad property in the former San Pedro Branch was acquired to serve as the alternative route for the Alameda Corridor. All railroad properties acquired are held by the Harbor Department and POLB as tenants in common, each holding an undivided 50 percent interest in the railroad properties.

The County Sanitation District plans to install and maintain a secondary 90" sewer pipeline that will handle a portion of the sewage that is currently flowing through an existing 72" sewer pipeline. The proposed 90" sewer pipeline is required to keep the sewage capacity of the existing 72" sewer pipeline from being exceeded in the near future.

The proposed JRP (Transmittal 1) is being processed concurrently with POLB's Board.

Terms and Conditions – The terms and conditions of the proposed JRP are based on the following:

Use: The installation and maintenance of a 90" subsurface sewer pipeline for the transportation of wastewater and solid waste.

Premises: A portion of the jointly-owned ROW, comprising approximately 1,170 square feet of nonexclusive subsurface area (Transmittal 2).

Term: Effective upon execution by the Executive Directors of the Harbor Department and POLB, and revocable upon 180 days' written notice by any party.

Compensation: A one-time permit processing fee of \$2,500 shall be paid to the Harbor Department and POLB to cover costs associated with the administration of this JRP (each receive 50 percent, or \$1,250). Thereafter, the annual rent will be \$1,462.50, which will be equally divided between the Harbor Department and POLB (each receiving \$731.25 annually).

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Compensation for this type of entitlement is consistent with the Board's policy of receiving a ten percent rate of return on a land value of \$25.00 per square foot, discounted by 50 percent for subsurface use. Based on premises of 1,170 square feet of subsurface land, the annual rent would be \$1,462.50. In addition, compensation will be adjusted annually based on the Consumer Price Index (CPI).

Parcel	Square Footage	\$ per Square Foot	Rate of Return	Subsurface Discount	Proposed Annual Rent
1	1,170	\$25.00	10%	50%	\$1,462.50

Insurance Requirements: Risk Management reviewed the permit application and determined the appropriate insurance requirements, which are incorporated in the proposed JRP with the County Sanitation District.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of a JRP among the Harbor Department, POLB, and the County Sanitation District for installation of a 90" sewer pipeline that crosses through jointly-owned right-of-way along the Alameda Corridor. The sewer line was assessed in a Negative Declaration prepared by the County Sanitation District and adopted by the Board of Directors of County Sanitation District No. 2 on March 27, 2013. Therefore, as an activity for which the underlying action has previously been evaluated for environmental significance and processed according to the requirements of the California Environmental Quality Act (CEQA), the Director of Environmental management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2 (i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no direct employment effect.

FINANCIAL IMPACT:

Approval of the proposed JRP will result in the County Sanitation District paying a one-time permit processing fee of \$2,500 to the Harbor Department and POLB, of which the Harbor Department will receive half, or \$1,250. Thereafter, the County Sanitation District will pay the Harbor Department an annual rent of \$1,462.50, of which the Harbor Department will receive half, or \$731.25. In addition, the proposed compensation will be adjusted annually based on the CPI.

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SANITATION DISTRICT NO. 2 - LAHD NO. 70057

CITY ATTORNEY:

The proposed JRP has been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Joint Revocable Permit
2. Aerial Site Map



JACK C. HEDGE
Director of Real Estate

FIS Approval: MS (initials)
CA Approval: MS (initials)

for 
KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

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