



**THE PORT
OF LOS ANGELES**

Executive Director's

Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 29, 2018

FROM: WATERFRONT COMMERCIAL REAL ESTATE DIVISION

SUBJECT: RESOLUTION NO. _____ - ORDER DIRECTING CHEVRON U.S.A., INC., KINDER MORGAN TANK STORAGE TERMINALS LLC, PARAMOUNT PETROLEUM CORPORATION, SHELL OIL COMPANY, SOUTHERN CALIFORNIA GAS COMPANY, ULTRAMAR INC., AND VOPAK TERMINAL LOS ANGELES INC. TO RELOCATE PIPELINES INTERFERING WITH THE WILMINGTON WATERFRONT PROMENADE PROJECT

SUMMARY:

Staff requests approval of the Orders directing various City of Los Angeles Harbor Department (Harbor Department) tenants to relocate pipelines interfering with the Wilmington Waterfront Promenade Project (Project). The Project includes a waterfront promenade, pedestrian plaza, parking lot, realignment of Water Street and parking northwest of Banning's Landing Community Center. To allow for the development of the Project, several underground, and possibly above-ground pipelines from various companies must first be removed, relocated, or protected in place. The proposed Orders will serve as notice to impacted Harbor Department pipeline tenants, in accordance with each pipeline tenant's permit to remove, relocate, or protect in place the affected pipelines. Payment of costs associated with the relocation of affected pipelines will be the financial responsibility of the respective tenants.

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 administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Approve the Order directing Chevron U.S.A., Inc. to change the route or location of its pipelines pursuant to Section 11(u) of Permit No. 486;

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3. Approve the Order directing Kinder Morgan Tank Storage Terminals LLC to change the route or location of its pipelines pursuant to Section 8(j) of Permit No. 708;
4. Approve the Order directing Paramount Petroleum Corporation to change the route or location of its pipelines pursuant to Section 9(b) of Revocable Permit No. 07-18;
5. Approve the Order directing Shell Oil Company/Equilon Enterprises LLC, dba Shell Pipeline Company to change the route or location of its pipelines pursuant to Section 8(j) of Permit No. 634;
6. Approve the Order directing Southern California Gas Company to change the route or location of its pipelines pursuant to Section 9(h) of Order No. 4506;
7. Approve the Order directing Ultramar Inc./Valero Oil Company to change the route or location of its pipelines pursuant to Section 6(i) of Permit No. 306;
8. Approve the Order directing Vopak Terminal Los Angeles Inc. to change the route or location of its pipelines pursuant to Section 7(j) of Permit No. 560;
9. Authorize the Board Secretary to attest to the Orders directing the aforementioned Harbor Department tenants to relocate their pipelines; and
10. Adopt Resolution No. _____ and Order Nos. _____.

DISCUSSION:

Background - The Wilmington Waterfront has been planning for public space and urban revitalization investment since 2006, when the community participated in the planning process for the Wilmington Waterfront Development Program. The Environmental Impact Report (EIR) was approved in 2008, and the first 30-acre Wilmington Waterfront Park component was completed in 2011. The second component of the Wilmington Waterfront Development Program, the Wilmington Waterfront Promenade, will begin construction in 2019.

The Project creates a community amenity that connects Wilmington with its historic waterfront and increases economic opportunities in the Wilmington Waterfront area. The Project provides a gateway to Wilmington's waterfront at Avalon Boulevard and Harry Bridges Boulevard, featuring a park, plazas, parking and signage. Avalon Boulevard connects Wilmington's major commercial area several blocks north to the community's waterfront.

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Affected Tenants - During the design process, the following Harbor Department tenants were identified as potentially having affected pipelines:

- Chevron U.S.A., Inc., P486, Section 11(u);
- Kinder Morgan Tank Storage Terminals LLC, P708, Section 8(j);
- Paramount Petroleum Corporation RP07-18, Section 9(b);
- Shell Oil Company, Equilon Enterprises LLC, dba Shell Pipeline Company, P634, Section 8(j);
- Southern California Gas Company, Order No. 4506. – Section 9(h);
- Ultramar Inc./Valero Oil Company, P306, Section 6(i); and
- Vopak Terminal Los Angeles Inc. P560, Section 7(j)

Permit Terms - Pursuant to the terms and conditions for each of the aforementioned Harbor Department Permits affected by the Wilmington Waterfront Promenade Project, the Board has the right to make any change in route or location of existing pipeline(s).

The Permits specify that the Board has the right to make any change in the route or location of any pipeline constructed on the premises by the tenant as may be required or made necessary by the progress of harbor development or the performance of any work within the jurisdiction of the Board. If the Board determines that any such change or relocation is necessary, the Board shall give at least 90 days' notice to the tenant. The cost of pipeline removal or relocation is borne by the respective tenant.

Prior to any work commencing, a Harbor Engineer's Permit will be required for any surface and/or subsurface pipeline work.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Orders directing various Harbor Department tenants to relocate their pipelines, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines. Future removal, relocation, or protection in place of these pipelines are subject to further CEQA review and will be considered separately from this item.

FINANCIAL IMPACT:

Costs associated with the removal and relocation of the affected pipelines will be borne by the tenants. Removal and relocation of pipelines is expected to be revenue neutral, since compensation will continue to be collected during the pipeline rerouting process.

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CITY ATTORNEY:

The Orders have been prepared and approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

1. Orders
2. Site Map

FIS Approval: MB
CA Approval: JG



MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate



FOR MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



FOR

EUGENE D. SEROKA
Executive Director

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BL761raw Pipeline Orders