



Vopak Terminal Los Angeles Inc.  
401 Canal Avenue  
Wilmington, CA 90744  
(310) 549-0961

July 2, 2014

Mr. Eugene Seroka, Executive Director  
Port of Los Angeles  
425 South Palos Verdes Street  
San Pedro, CA 90731

Re: Vopak Marine Oil Terminal Engineering and  
Maintenance Standards Implementation Strategy

Dear Mr. Seroka:

Vopak Los Angeles Terminal Inc. ("Vopak") operates a bulk liquid terminal in the Port of Los Angeles ("POLA") at Berths 187 through 190. With this letter Vopak formally requests POLA to initiate the process to (i) comply with the Marine Oil Terminal Engineering and Maintenance Standard ("MOTEMS") by upgrading the existing Berths 187 through 190 and (ii) executing a new 30 year property lease with Vopak related to such berths.

In October 2012, the Board of Harbor Commissioners approved the concept of complying with MOTEMS, by building a new dock around the corner at Berths 191 through 194 and initiating the process to execute a new 30 year property lease. With further study, this concept was found to be infeasible, with a price tag nearly double what was originally estimated.

In reaction to that finding, Vopak worked with POLA staff and key community members on developing a new stay in place plan that was both economically feasible and sensitive to the needs of the Wilmington community. The key elements of the stay in place plan include the MOTEMS upgrade of the existing Berths 187 through 190, installation of an odor abatement system, landscaping to improve the appearance of the Vopak terminal and a monetary contribution to the Wilmington community.

Vopak presented the stay in place plan to the Wilmington Chamber of Commerce and the Wilmington Neighborhood Council and gained the support of both groups. Letters of support from these groups and City Councilmember Joe Buscaino are attached. Subject to the execution of a new

30 year lease, Vopak intends to allocate up to \$9 million dollars for project mitigation, including up to \$1 million for improving the appearance of the terminal, \$3 million for odor abatement systems and up to \$5 million in funds to be distributed to various Wilmington community improvement projects over a 10 year period. Key feedback received from the community during our outreach effort was that the community funds should be used exclusively for Wilmington projects, selected by Vopak and a committee of Wilmington residents and business operators.

Handling approximately 70% of the bunker fuel supplied to vessels calling on POLA and 25% of the jet fuel supplied to LAX, Vopak is an important piece of the City's infrastructure. Vopak has been a responsible and safe tenant, ranked in the top ten of highest revenue generators for POLA. The terminal is located adjacent to the Banning's Landing Community Center ("Banning's Landing") and the Wilmington Waterfront Plan area, however, there is no shared border and no overlap between these community assets and Vopak. The final EIR on the Wilmington Waterfront Plan has no discussion of any land use inconsistency or environmental impact from the Vopak terminal on the uses of the Waterfront Plan, and the POLA risk study shows no hazardous footprint overlap with the Wilmington community.

The stay in place plan will benefit POLA by supporting broad community, business, labor and environmental interests, securing the Vopak operation for 30 years, expediting MOTEMS compliance and opening the opportunity for POLA to utilize Berths 192 through 194 for other revenue generating tenants.

We appreciate your consideration of this request, and I will make myself available to address any questions or concerns that you may have.

Sincerely,

VOPAK TERMINAL LOS ANGELES INC.

A handwritten signature in black ink, appearing to read "Michael LaCavera", with a long horizontal line extending to the right.

Michael LaCavera

General Manager