



**THE PORT  
OF LOS ANGELES**

Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: AUGUST 23, 2012**

**FROM: PLANNING & ECONOMIC DEVELOPMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ – ISSUANCE OF A LEVEL I  
COASTAL DEVELOPMENT PERMIT (NO. 12-09) TO CHEVRON  
ENVIRONMENTAL MANAGEMENT COMPANY FOR THE REMOVAL  
OF ABANDONED OIL PIPELINES**

**SUMMARY:**

Chevron Environmental Management Company (Chevron) proposes to remove multiple subsurface abandoned oil pipelines totaling approximately 9,500 feet located underneath the wharf and backlands at Berth 100 and along Front Street in San Pedro. Chevron is removing the pipelines to comply with lease conditions of Permit 486, which requires them to restore the leasehold and remove all improvements. The pipelines require removal as they are located within the boundaries of the China Shipping Terminal Expansion project. Staff is recommending the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 12-09, a Level I, non-appealable permit for the proposed pipeline removal project.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed project conforms with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
2. Authorize the Executive Director to approve the issuance of Coastal Development Permit No. 12-09, consistent with the project description listed on Application for Discretionary Project No. 120531-068; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – Until 1989, Chevron operated a marine oil terminal at Berths 99-101 under a series of permits, ending with Permit 486. The permit required Chevron to restore the leasehold and remove all improvements, including eight pipelines that extend through a corridor from the terminal to Front Street and Pacific Avenue in San Pedro (Transmittal 1). Upon expiration of Permit 486 in May of 1988, the agreement

**DATE: AUGUST 23, 2012**

**PAGE 2 OF 3**

**SUBJECT: LEVEL I CDP NO. 12-09 CHEVRON PIPELINE REMOVAL**

was placed on month-to-month holdover and Chevron commenced plans to restore and remediate the premises. On December 31, 1994, entitlement to the pipeline corridor portion of Permit 486 was deleted, with Chevron's restoration requirement remaining. While Chevron has removed most of the pipelines, Chevron and the City of Los Angeles Harbor Department (Harbor Department) agreed that portions obstructed by power poles and other infrastructure would remain until removal was required by the China Shipping Terminal Expansion project (China Shipping Project).

With Phase III of the China Shipping Project proceeding, the Harbor Department requested Chevron to remove all remaining pipeline segments located at Berth 100 and along Front Street. On May 31, 2012, Chevron submitted Application for Discretionary Project No. 120531-068 for the proposed pipeline removal.

Project Description – The proposed project is for the removal of approximately 9,500 feet of abandoned subsurface oil pipelines located underneath the wharf and backlands at Berth 100 and along Front Street in San Pedro (Transmittal 2). Groundwater and oil monitoring will be provided by the contractor. Soil sampling will be completed during construction, and any contaminated soil will be disposed of consistent with State and Federal regulations.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 3, is a Level I non-appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan*. A Level I permit is one of three levels of permits that the Board can issue. Level I permits are issued for developments that involve minimal changes in land/water use, and minor changes in density and intensity of use.

The proposed project has been found to be consistent with the Port Master Plan and Chapter 8 policies of the California Coastal Act of 1976, as amended, as it would allow for future port-related development to occur in the vicinity of the project. Specifically, the pipeline removal is consistent with Section 30708 that requires port-related development to give highest priority to the use of existing land space within harbors for port purposes.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level I CDP to Chevron for removal of abandoned pipelines underneath Berth 100 and along Front Street. As an activity for which the underlying project has been previously evaluated for environmental significance and processed according to the requirements of CEQA (China Shipping EIR, certified December of 2008) and an activity involving minor alteration of subsurface pipelines, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II Section 2 (i) and Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

SUBJECT: LEVEL I CDP NO. 12-09 CHEVRON PIPELINE REMOVAL

**ECONOMIC BENEFITS:**

Approval of the proposed CDP will have no employment impact for the five-county region. The proposed project associated with this CDP is anticipated to support 4 direct and 3 secondary one-year equivalent jobs in the region. .

**FINANCIAL IMPACT:**

There is no financial impact to the Harbor Department from the proposed pipeline removal project, which addresses Chevron's restoration obligations established under Permit 486. As discussed above, the project area was removed from Permit 486 in 1994. This eliminated Chevron's obligation to pay rent for the pipeline corridor but the obligation to restore the leasehold and remove improvements survived. The Harbor Department currently receives \$4,518 quarterly as compensation for a separate unrelated area under Permit 486, which will not be affected by this proposed action.

Issuance of the proposed Level I CDP No. 12-09 is a procedural requirement for the proposed work. Chevron will fully bear the estimated cost of \$500,000 for the pipeline removal.

**CITY ATTORNEY:**

The proposed action raises no legal issues at this time.

**TRANSMITTALS:**

- 1. Site Location Map
- 2. CDP No. 12-09

FIS Approval: kl (initials)  
 CA Approval: tr (initials)

  
 DAVID L. MATHEWSON  
 Director of Planning & Economic Development

  
 KATHRYN McDERMOTT  
 Deputy Executive Director

APPROVED:

  
 GERALDINE KNATZ, Ph.D.  
 Executive Director