



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: FEBRUARY 20, 2019**

**FROM: CARGO & INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF MASTER  
JOINT REVOCABLE PERMIT NO. 17-24 AMONG LONG BEACH GAS  
AND OIL AND THE CITY OF LOS ANGELES HARBOR DEPARTMENT  
AND PORT OF LONG BEACH AS JOINT-OWNERS**

**SUMMARY:**

Staff requests approval of Master Joint Revocable Permit (MJRP) No. 17-24 among Long Beach Gas and Oil (LBGO) and the City of Los Angeles Harbor Department (Harbor Department) and the Port of Long Beach (POLB), as joint owners, for the maintenance and operations of pipelines and related improvements. The primary purpose of the MJRP is to consolidate all of LBGO's existing pipelines into one master agreement and to improve records of facilities in public streets including abandoned pipelines.

Only one pipeline is subject to rent at an initial rent payable of \$2,000 per year with annual adjustments based on the Consumer Price Index, All Urban Consumers, Los Angeles-Long Beach-Anaheim (CPI-U).

**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;
2. Approve Master Joint Revocable Permit No. 17-24 among Long Beach Gas and Oil and the City of Los Angeles Harbor Department and Port of Long Beach, as joint owners;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Joint Revocable Permit No.17-24; and
4. Adopt Resolution No. \_\_\_\_\_.

SUBJECT: APPROVAL OF JOINT REVOCABLE PERMIT NO. 17-24

**DISCUSSION:**

Background – On December 22, 1994, the Harbor Department and POLB jointly purchased properties as part of the Alameda Corridor construction project. The properties are located along the former Southern Pacific Railroad (SPRR) and Union Pacific Railroad (UPRR) right-of-way (ROW). The railroad properties as purchased are held by the Harbor Department and POLB as tenants in common, with each holding an undivided 50 percent interest in the property. The Harbor Department and POLB became successors-in-interest to all railroad agreements, leases, and licenses, related to the acquired railroad ROW.

LBGO owns 17 pipelines that impact these jointly-owned properties, 16 of which are in public streets where prior rail rights exist; therefore no rent is collected. The 16 pipelines are included in the MJRP to update the terms governing the use of the pipelines and improve record keeping for future maintenance activities. The one remaining pipeline, described as Index No. 12, is subject to compensation.

Additionally, there are also two other existing pipeline easements within the Joint Ports' Rights of Way. These are noted in the MJRP strictly for record keeping and future reference only and is not subject to rent, as LBGO has easement rights.

**MJRP General Terms and Conditions:**

Use: Maintenance and operations of pipelines and related improvements.

Premises: As noted above and shown on the Location Map (Transmittal 2), the MJRP covers 17 facilities located primarily in the City of Long Beach and City of Lakewood.

Compensation: Only one pipeline (Index No. 12) is due and owing rent. The Minimum Annual Permit Fee is established at \$2,000 per year, adjusted annually by CPI-U. The Harbor Department's share is 50 percent, or \$1,000 per year. This amount is greater than what would be payable in total, as derived on a square foot basis.

Facility Description	Area S.F.	Land Value (per S.F.)	Subsurface Discount	Rate of Return	Rent
Index No. 12-Subsurface 2" Steel LP Gas Pipeline in 4" Casing	325	\$25.00	50%	10%	\$406.25
<b>MINIMUM ANNUAL RENT for Crossings</b>					<b>\$2,000.00</b>

Term: The MJRP will be effective upon execution by both the Harbor Department and POLB and revocable upon 60 days' written notice by any party.

SUBJECT: APPROVAL OF JOINT REVOCABLE PERMIT NO. 17-24

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is the approval of a proposed Joint Revocable Permit with Long Beach Gas & Oil to install, operate and maintain multiple pipeline improvements and related appurtenances, which is an activity involving the operation, repair, maintenance, permitting, leasing, licensing or minor alteration of existing facilities, involving negligible or no expansion of 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:**

The Harbor Department's proportionate revenue share of the proposed MJRP will result in \$1,000 in annual rent in the first year. A Consumer Price Index adjustment (CPI-U) will be applied annually thereafter.

**CITY ATTORNEY:**

MJRP No. 17-24 has been approved as to form and legality by the Office of the City Attorney.


**TRANSMITTALS:**

- 1. Joint Revocable Permit No. 17-24
- 2. Site Map



JACK C. HEDGE  
Director of Cargo/Industrial Real Estate

FIS Approval: *MB*  
CA Approval: *GD*



MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
Executive Director