



THE PORT
OF LOS ANGELES

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 15, 2013

FROM: PLANNING & ECONOMIC DEVELOPMENT

**SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL I
COASTAL DEVELOPMENT PERMIT (NO. 13-03) TO OXY LONG
BEACH, INC FOR THE REMOVAL OF PIPELINES**

SUMMARY:

Oxy Long Beach, Inc. (Oxy Long Beach) proposes to remove multiple above-ground pipelines totaling approximately 3,900 feet located south of Alameda Street and west of Henry Ford Avenue. The pipelines require removal because they are located within the boundaries of the Berth 200 Rail Yard project area. Staff is recommending the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 13-03, 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. 13-03, consistent with the project description listed on Application for Discretionary Project No. 130118-010; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context – Segments of pipelines currently owned by Oxy Long Beach are located within the Berth 200 Rail Yard project area, south of Alameda Street and west of Henry Ford Avenue (Transmittal 1). The pipelines are field connections that carry crude oil, natural gas and water between oil wells in the Berth 200 area and the Tidelands Oil Production Facility in Long Beach. The above-ground pipelines will be removed because they conflict with the Berth 200 Rail Yard project. Removal of the pipelines is necessary for the Berth 200 Rail Yard project to proceed. Consistent with the City of Los Angeles Harbor Department (Harbor Department) Agreement No. 11-3005, Oxy Long

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Beach was notified of the need to remove the pipelines and submitted an application for the removal of the pipelines on January 18, 2013.

Project Scope of Work – An estimated 3,900 linear feet of pipeline ranging in diameter from four to eight inches will be removed within the project area. Any fluids recovered from the pipelines will be processed at an approved processing or disposal facility.

The estimated cost for the proposed work is \$300,000. All costs will be borne by the Harbor Department as required under Harbor Department Agreement No. 11-3005 with the City of Long Beach. This agreement provides for a land exchange where the City of Long Beach quitclaimed its interest in certain easements and use rights in the Berth 200 Project area to the Harbor Department in exchange for the Harbor Department granting the City of Long Beach replacement easements and use rights located outside of the Berth 200 Project area. As stated in Agreement No. 11-3005, the Harbor Department will transfer the funds required for the pipeline removal to the City of Long Beach to cover these reimbursable expenses. The City of Long Beach will then use these funds to pay their contractor, Oxy Long Beach to remove the pipelines. Construction is expected to start in March 2013 and is scheduled for completion in September 2013. Funds for the proposed work have been included in the Fiscal Year 2012/2013 Capital Improvement Program.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 5, 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 (Transmittal 2). 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 removal of the pipeline 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 CDP to Oxy Long Beach for the removal of pipelines in conflict with the Berth 200 Rail Yard project. As an activity involving the alteration of surface pipelines serving industrial facilities, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article III Class 1 (17) of the Los Angeles City CEQA Guidelines. Additionally, the proposed action is part of an underlying project that was previously evaluated for environmental significance and processed accordingly through the Berths 136-147 (TraPac) Container Terminal

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Project Environmental Impact Report certified on December 6, 2007, and therefore is exempt in accordance with Article II Section (2)(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The proposed project associated with this CDP is anticipated to support approximately 58 direct and 48 secondary one-year equivalent jobs for the region.

FINANCIAL IMPACT:

Approval and issuance of the proposed Level I, non-appealable Coastal Development Permit is a procedural requirement to remove 3,900 linear feet of pipeline interfering with the development of the Berth 200 Rail Yard project. The Harbor Department will incur costs estimated at \$300,000 associated with the pipeline removal. The Harbor Department is responsible for the costs as required under Agreement No. 11-3005. If approved, the work will commence in March 2013 and be completed by September 2013. Funds are available in Account No. 54510, Center No. 1172, and Program No. 000.

CITY ATTORNEY:

The City Attorney has reviewed this resolution and finds that it does not raise any legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No. 13-03


DAVID L. MATHEWSON
Director of Planning & Economic Development

FIS Approval:  (initials)

CA Approval:  (initials)


FOR KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

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ADP No. 130118-010