

DATE: SEPTEMBER 5, 2018

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - ORDER DIRECTING
PBF ENERGY WESTERN REGION LLC TO REMOVE INACTIVE
PIPELINES INTERFERING WITH THE SAN PEDRO WATERFRONT
DEVELOPMENT**

SUMMARY:

Staff requests approval of an Order directing PBF Energy Western Region LLC (PBF) to remove inactive pipelines within the San Pedro Waterfront development. PBF's underground pipelines must be removed to accommodate proposed development within the San Pedro waterfront area, and the proposed Order will serve as notice to PBF in accordance with its permit.

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 statutorily, administratively, and categorically exempt from the requirements of the California Environmental Quality Act under Section 15282(k) of the State CEQA Guidelines and Article II Section 2(f) and Article III Class 1(17) of the Los Angeles City CEQA Guidelines;
2. Approve the Order directing PBF Energy Western Region LLC to remove pipelines in the San Pedro Public Market development along with all non-active pipelines associated with it;
3. Authorize the Board Secretary to attest to the Order directing the aforementioned tenant to remove the pipelines which interfere with the development; and
4. Adopt Resolution No. _____ and Order No. _____.

SUBJECT: ORDER DIRECTING THE REMOVAL OF PBF'S PIPELINES

DISCUSSION:

Background – In 2009, the Board approved the San Pedro Waterfront EIR which comprises numerous public access and private development projects in the San Pedro community. Projects include the San Pedro Public Market, Harbor Boulevard extension, Promenade and Town Square development. During the evaluation process, PBF's idle pipelines were identified as impeding and hindering the development, and must be removed (Transmittal 1). The pipelines are inactive; therefore, relocation is not necessary.

The Board has the authority to make any change in route or location of existing pipelines pursuant to the terms and conditions of PBF's permit:

- PBF Energy Western Region LLC, Permit No. 914, Section 106.4 Relocation of Pipelines; Harbor Department Right to Relocate:

“At any time during the term of this Agreement, the Board shall have the right to make any change in the route or location of any pipeline constructed or maintained on the Premises by Tenant pursuant to the authority of this Agreement as may be required or made necessary for the progress of harbor development or the performance of any work or improvement within the jurisdiction of the Board.”

The proposed Order will require PBF to remove the pipelines in question within 90 days based on the terms of Permit No. 914.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the Order directing PBF to remove pipelines interfering with the San Pedro Public Market, which is an administrative activity related to the operation, repair, maintenance, minor alteration, or removal of subsurface pipelines, not exceeding one mile in length. Therefore, the Director of Environmental Management has determined that the proposed action is statutorily, administratively, and categorically exempt from the requirements of CEQA in accordance with Section 15282(k) of the State CEQA Guidelines and Article II Section 2(f) and Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Costs associated with the removal of the affected pipelines will be borne by the tenant, PBF. Removal of pipelines will have no impact to Harbor Department revenues, as the pipelines being removed had been idle and had not been generating income for the Harbor Department while idle.

DATE: SEPTEMBER 5, 2018

PAGE 3 OF 3

SUBJECT: ORDER DIRECTING THE REMOVAL OF PBF'S PIPELINES

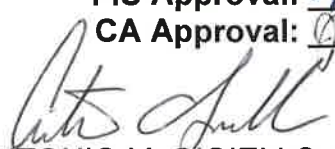
CITY ATTORNEY:

The Order (Transmittal 2) has been prepared and approved as to form and legality by the Office of the City Attorney.


TRANSMITTALS:

1. Site Map
2. Order


MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate

FIS Approval: MB
CA Approval: GM

ANTONIO V. GIOIELLO, P.E.
Deputy Executive Director

APPROVED:


EUGENE D. SEROKA
Executive Director

ES:MD:MG:ER:HP:KK
Author: Kevin Kim
BL748raw PBF Pipeline