



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 5, 2015

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ – AMENDMENT TO COASTAL DEVELOPMENT PERMIT NO. 12-11 TO GENERAL PETROLEUM TO ALLOW AN ADDITIONAL 12,000-GALLON ABOVEGROUND STORAGE TANK

SUMMARY:

General Petroleum Corporation (General Petroleum) dba Maxum Petroleum is requesting an amendment to Coastal Development Permit (CDP) No. 12-11, a Level I, non-appealable permit. CDP No. 12-11 permitted the demolition of five aboveground storage tanks, site remediation, installation of temporary storage tanks, and construction of three new permanent 12,000-gallon aboveground storage tanks at Berth 259. This amendment to CDP No. 12-11 would allow General Petroleum to construct an additional 12,000-gallon aboveground storage tank for diesel fuel, increasing the total from three to four 12,000-gallon tanks with a total capacity of 48,000 gallons.

General Petroleum is financially responsible for all site improvements associated with this project. The City of Los Angeles Harbor Department (Harbor Department) will not provide any funding for this project. Staff is recommending that the Board of Harbor Commissioners (Board) approve the amendment to CDP No. 12-11.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed project conforms with the certified Port Master Plan (PMP) and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act;
2. Resolve to approve the amendment to Coastal Development Permit No. 12-11, consistent with the amended project description listed on the Application for Port Permit No. 120313-024, and direct the Director of Planning & Economic Development to issue said permit; and
3. Adopt Resolution No. _____.

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SUBJECT: AMENDMENT TO CDP NO. 12-11 FOR GENERAL PETROLEUM

DISCUSSION:

Background/Context – On June 7, 2012, the Board approved Revocable Permit 10-11 (RP10-11) to General Petroleum for the operation of a marine fueling station area at Berth 259, previously under ExxonMobil Corporation's control. Under RP10-11, General Petroleum assumed full responsibility for remediation and site restoration with all such work to be performed subject to Harbor Department oversight. On October 4, 2012, the Board approved CDP No. 12-11 to General Petroleum for the demolition of five aboveground storage tanks, site remediation of hydrocarbon contamination, installation of one 10,000-gallon and one 17,640-gallon aboveground temporary tanks, and construction of three new 12,000-gallon storage tanks. Harbor Engineer Permit No. 67, Series 2012 was issued in October 2012 by the Harbor Department's Engineering Division, and construction activities started shortly thereafter beginning with the demolition of existing tanks and equipment. Subsequent to the start of construction, General Petroleum reevaluated the modernization of the facility and determined that they needed additional storage capacity. General Petroleum requested an amendment to CDP No. 12-11 to allow for an additional 12,000-gallon storage tank for diesel fuel.

Scope of Work – General Petroleum has already completed significant portions of the proposed project, including demolition of five aboveground storage tanks with a total capacity of 139,800 gallons and all associated piping, valves, and connections. Approximately 3,700 cubic yards of contaminated soil has been removed and replaced with a similar amount of clean fill. The remaining portions of the project include pouring concrete pads for the new aboveground storage tanks, constructing a containment berm, and installing associated piping and valves. This amendment increases the total storage capacity from 36,000 gallons (three 12,000-gallon tanks) to 48,000 gallons (four 12,000-gallon tanks). General Petroleum estimates that they will spend an additional \$100,000 to construct the fourth tank and associated infrastructure and piping. The original cost for demolition and construction of the three tanks and infrastructure was \$800,000, making a new total construction estimate of \$900,000.

Amendment Process – Section 6.8.4 of the PMP outlines the amendment process for approved Coastal Development Permits. Under the updated PMP, the Executive Director has the authority to issue or deny Level I CDPs and their amendments. However, because CDP No. 12-11 was issued under the Board's authority prior to the PMP update, any amendments to CDP No. 12-11 must be approved or denied by the Board.

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Coastal Development Permit Requirements – The proposed project is a Level I non-appealable project in accordance with Section 6.4 of the PMP. A Level I permit is required for projects that involve minimal resources; cause no or minimal changes in land and/or water use and in the density or intensity of the use; have no significant environmental impact that can or cannot be mitigated; and are non-appealable. The proposed project is a Level I CDP because it conforms to all four requirements (Transmittal 2).

The proposed project has been found to be consistent with the PMP and Chapter 8 policies of the California Coastal Act (Coastal Act) of 1976, as amended. Located in Planning Area 4 of the PMP, this project is consistent with its maritime support land use designation. The proposed project as amended is consistent with Section 30708 of the Coastal Act and Policy 2.1 of the PMP which requires port-related development to prioritize the use of existing land within harbors for port purposes including necessary maritime support facilities.

Risk Assessment – A risk analysis was prepared by the Harbor Department in accordance with the requirements and methodologies of the Port of Los Angeles Risk Management Plan (RMP). Diesel fuel is considered a hazardous liquid bulk commodity and therefore requires a risk assessment as outlined in the RMP. The risk analysis found that the proposed project is consistent with the RMP, as the proposed project's hazard footprint does not result in an overlap of any existing, planned, or permitted high-density populations. The Los Angeles Fire Department (LAFD) has also reviewed the findings of the risk analysis.

ENVIRONMENTAL ASSESSMENT:

The proposed action is an Amendment to CDP No. 12-11 with General Petroleum to allow for the construction of one additional 12,000-gallon aboveground storage tank at Berth 259 for a total of four tanks. Construction of the three originally proposed tanks was found to be exempt from the California Environmental Quality Act (CEQA) as an activity involving the replacement of industrial structures with new structures of substantially the same size, purpose, and capacity. As the addition of a fourth tank, for a new total capacity of 48,000 gallons, does not exceed the capacity of the tanks being removed from the site (139,800 gallons) the previously utilized CEQA exemption remains applicable to the new scope. Therefore, as an activity involving the replacement of industrial structures with new structures of substantially the same size, purpose, and capacity, the director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 2(2) of the Los Angeles City CEQA Guidelines.

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ECONOMIC BENEFITS:

The project associated with the proposed Amendment to CDP No. 12-11 will support eight direct and five secondary jobs for the five-county region. The project associated with the original CDP would have supported seven direct and five secondary jobs for the region.

FINANCIAL IMPACT:

Approval of an amendment for a Level I CDP to General Petroleum is a procedural requirement to permit the construction of an additional 12,000-gallon aboveground storage tank. It is estimated that the additional tank and associated infrastructure will increase the total project cost by \$100,000 all of which will be entirely borne by General Petroleum.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed this Board report and concluded that it raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. Amended CDP No. 12-11

FIS Approval: MB (initials)
CA Approval: MB (initials)



MICHAEL KEENAN
Interim Director of Planning & Economic Development



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APPROVED:



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