



AMERICA'S PORT®

Vopak

Permit No. 560

7th Amendment – Extension & Severe Repairs

and

MOTEMS UPDATE

Marine Oil Terminal Engineering and Maintenance Standards

Presented by:

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Director, Waterfront & Commercial
Real Estate Division

Presented to:

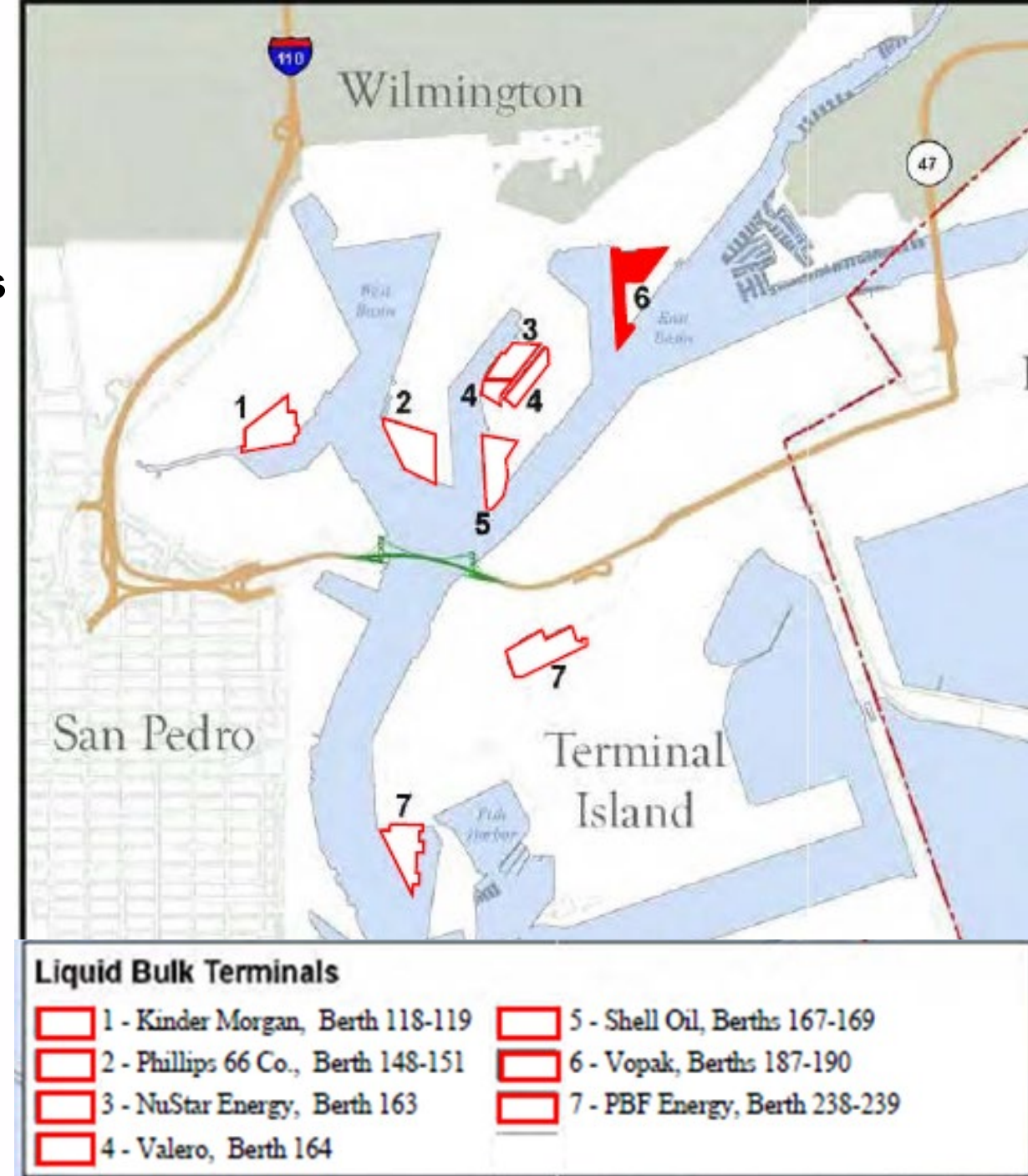
**BOARD OF HARBOR
COMMISSIONERS**

July 9, 2026

MARINE OIL TERMINALS

Capacity, Business Structure, & Commercial Terms

- 7 marine oil terminals
- 154 million barrels per year throughput capacity
- 8.2 million barrels of storage in Port
- Tenants/Operators
 - 2 Proprietary Refiners (PBF and Valero)
 - 5 Third-Party/Proprietary Logistics (Phillips 66, Kinder Morgan, NuStar, Shell, Vopak)
- Revenue
 - Land Rent at 10% of market value
(Adjustments: Annual CPI & 5-year resets)
 - Wharfage
 - Dockage



Marine Oil Terminal Engineering & Maintenance Standards “MOTEMS”

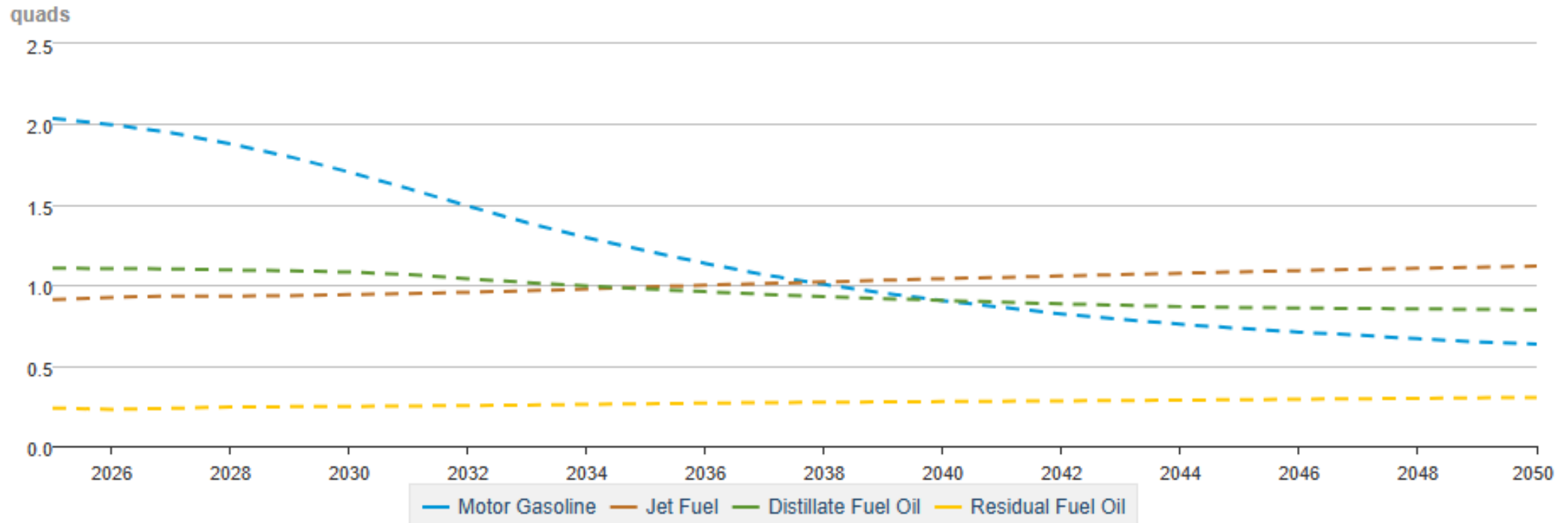
- Standards Governing Marine Oil Terminal Engineering and Maintenance
- State building standards to protect public health, safety, and environment administered by California State Lands Commission (CSLC)
- CSLC establishes Terminal Operating Limits (TOL) for each terminal based on current structural and operational conditions
- MOTEMS compliant wharf structural conditions are addressed based on lease negotiations that are unique for each marine oil terminal tenant
- Tenant responsible for on-going operational maintenance which includes improvements necessary for unique and proprietary operational requirements of its specific operation

NEW PERMIT REQUIREMENTS

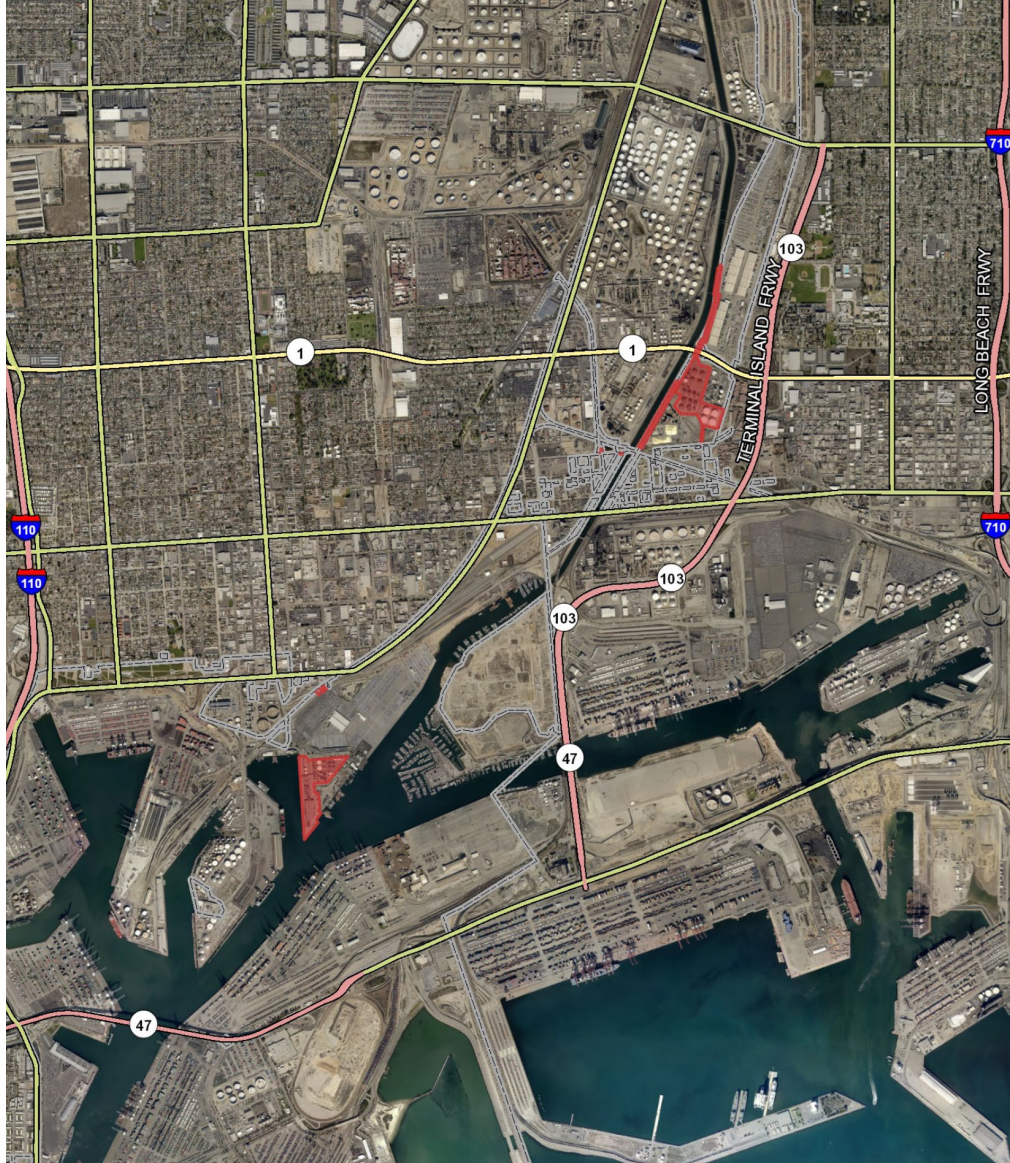
- MOTEMS Investment Requirements:
 - Capital upgrades to increase seismic capacity and reduce spill risks
 - Amortization of MOTEMS cost over long-term permit
- Continue to Meet Regional Fuel Needs
 - Fuel consumption of automobiles, trucks, equipment, airplanes, ships
 - Adoption of alternative-fuels that require marine oil terminals (MOT)
 - Working towards 100% ZE fuel future but many years to complete
- Revenue and Investment Risk
 - MOTs are required to take investment risk for upgrades

Transportation Fuel Outlook, 2026-2050

2026 US EIA Annual Energy Outlook, Pacific Region Transportation Energy Use by Source



Vopak Terminal Los Angeles



Background

- Permit No. 560
- Occupies 37.82 acres
- Commenced 1985; expired 2023. Holdover Status
- Marine liquid bulk terminal & cement import facility

	Seventh Amendment	Successor Permit Total Project Costs	Port Contribution Wharfage Credit
Deferred Repairs	\$15.11M ("emergency repairs")	\$39.56M (includes \$15.11M "emergency repairs")	\$39.56M (includes the \$15.11M via the Amendment)
MOTEMS Upgrades		\$57.38M	\$22.50M (\$7.5M per berth)
Total Costs		\$96.94M	\$62.06M

Pending Actions

- 8/12/25 SCLC Corrective Action Directive
- CEQA Certification - 4Q 2026
 - MOTEMS Wharf-Long Term Permit
- Long-Term Permit - 1Q 2027
 - 10 yrs + 2x10 yr Opt.
- Wharf Completion - 2030

Background

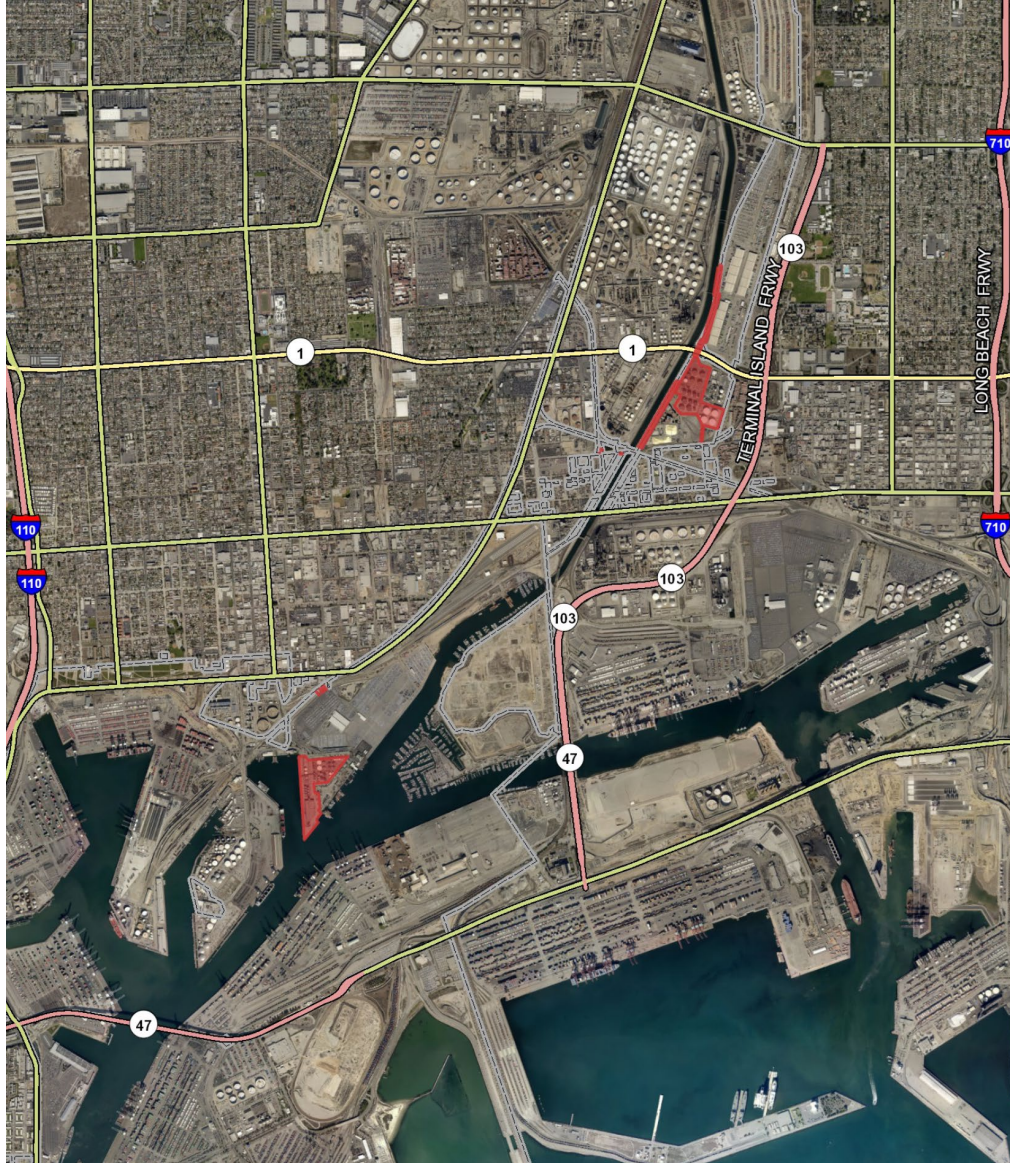
- August 12, 2025, CSLC letter identifying repairs
- TOL reductions could be imposed if not remedied
- Port grants wharfage charge waivers in exchange for work responsibility placed on Vopak

Amendment

- 5-year term extension from amendment's execution
- Waives wharfage payments through the earlier of:
 - 1) 5 years from the Amendment's execution; or
 - 2) Cost recovery not to exceed \$15,109,700 plus interest at 5%
- 18 months to complete repairs
- Vopak responsible for all future maintenance & repair

Existing Revenue

- 2026 Annual Land Rent: \$7,434,643.44
- 2025 Wharfage & Dockage: \$3,209,430.14



Action Requested

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 Article III Classes 1(4) and 1(18)(b) of the Los Angeles City CEQA Guidelines;

Approve the Seventh Amendment to Permit No. 560 with the Vopak Terminal Los Angeles, Inc.;

Direct the Board Secretary to transmit the Seventh Amendment to Permit No. 560 to City Council for approval pursuant to City Charter Section 606;

Authorize the Executive Director to execute and the Board Secretary to attest to the Seventh Amendment upon Board approval, contingent upon approval by City Council; and

Adopt Resolution No. _____.