



Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE:** JULY 22, 2015

**FROM:** CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ – APPROVE QUITCLAIM DEED FROM THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE U.S. DEPARTMENT OF TRANSPORTATION MARITIME ADMINISTRATION, TO THE CITY OF LOS ANGELES HARBOR DEPARTMENT

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) and the United States of America, acting by and through the Department of the Navy (Navy), entered into a 50-year Reciprocal Lease Agreement in 1979, whereby the Harbor Department leased land to the Navy for a Naval & Marine Corps Reserve Center (Reserve Center). In exchange, the Navy leased land to the Harbor Department known as Site 6B for the operation of the Terminal Island Container Transfer Facility (TICTF).

The Harbor Department submitted an application to the U.S. Department of Transportation Maritime Administration (MARAD) requesting a no-cost, port-related Public Benefit Conveyance (PBC) of Site 6B in 1999.

The Navy ceased its operations and vacated the Reserve Center in 2010 and assigned Site 6B to MARAD for conveyance to the Harbor Department in 2013. Under the Quitclaim Deed, MARAD serves as a pass-through agency for the Quitclaim Deed, which will also reserve an easement for the Navy and ownership of pipelines that transverse Site 6B.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the Quitclaim Deed from the U.S. Department of Transportation Maritime Administration;
2. Authorize the Executive Director to execute and record the Quitclaim Deed with the Los Angeles County Registrar-Recorder/County Clerk on behalf of the City of Los Angeles Harbor Department upon execution of the Third Amendment to the Lease Agreement for Site 6B; and
3. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: NAVY SITE 6B QUITCLAIM DEED**

**DISCUSSION:**

Background/Context – The Harbor Department and the United States of America, acting by and through the Navy, entered into a 50-year Reciprocal Lease Agreement (Navy's Agreement No. N6247479RPOOA47, approved by the Board through Order No. 4846 on September 22, 1979), whereby the Harbor Department leased 22.93 acres of land to the Navy for the Reserve Center. In exchange, the Navy leased land measuring 22.93 acres known as Site 6B to the Harbor Department for the operation of the TICTF. The site map is attached as Transmittal 1.

In 1999, the Harbor Department submitted an application to the MARAD requesting a no-cost, port-related PBC of Site 6B. The PBC application was approved by MARAD and submitted to the Navy with a request that Site 6B be assigned to MARAD for conveyance to the Harbor Department. At that time, the Navy was unable to assign Site 6B to MARAD because Site 6B was still part of the Reciprocal Lease Agreement under which the Navy was operating a Reserve Center.

The Navy ceased its operations at the Reserve Center in 2009 and vacated the site in 2010. Upon completion of the Finding of Suitability to Transfer (FOST) in November 14, 2012 (revised), the Navy assigned Site 6B to MARAD for conveyance to the Harbor Department. Under the Quitclaim Deed (Transmittal 2), MARAD serves as a pass-through agency for the Quitclaim Deed, the pipelines, and associated easement.

The Navy requested a pipeline easement reservation and this Quitclaim Deed includes a reservation for an easement and ownership of two 18-inch pipelines that transverse Site 6B.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Quitclaim Deed from MARAD to convey site 6B to the Harbor Department. As an activity involving the issuance of entitlement to use an existing facility involving negligible or no expansion of use, 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 (14) of the Los Angeles City CEQA Guidelines.

**ECONOMIC BENEFITS:**

This Board action will have no direct employment effect.

**FINANCIAL IMPACT:**

Subsequent to the Third Amendment, the Harbor Department will enter into a Quitclaim Deed with MARAD, on behalf of the Navy, to transfer Site 6B to the Harbor Department. The value of Site 6B is estimated to be \$32,000,000, and the value of the easement is nominal (less than five percent, or \$1,600,000) as the easement will have almost no impact on the current use as TICTF. Site 6B is currently leased (Yusen Terminals Inc. and Everport Terminal Services, Inc.), and the Harbor Department does not incur any maintenance costs. All maintenance costs of operating the pipelines are borne by the Navy.

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CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the Quitclaim Deed as to form and legality.

TRANSMITTALS:


1. Site Map
2. Quitclaim Deed

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

  
JACK C. HEDGE  
Director of Cargo & Industrial Real Estate

  
FOR MICHAEL DiBERNARDO  
Deputy Executive Director

APPROVED:

  
FOR EUGENE D. SEROKA  
Executive Director

EDS:MD:JH:RG:KK:raw  
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BL534mnm Navy Site 6B Quitclaim Deed