



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 8, 2012

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ - TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-07 TO EXXONMOBIL OIL CORPORATION FOR THE PROTECTION, RELOCATION, AND REMOVAL OF PIPELINES AT VARIOUS LOCATIONS IN WILMINGTON, CALIFORNIA

SUMMARY:

ExxonMobil Oil Corporation (ExxonMobil) is requesting a one-year extension to Coastal Development Permit (CDP) No. 10-07, a Level I, non-appealable permit, to protect, relocate, and remove numerous pipelines in Wilmington that are in conflict with the South Wilmington Grade Separation (SWGS) and the Berth 200 Rail Yard projects. CDP No. 10-07 was made effective December 15, 2010, and will expire prior to the initiation of construction (early 2013). Construction is delayed due to hazardous waste soil liability and project design issues.

RECOMMENDATION:

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

1. Approve a one-year extension for Coastal Development Permit No. 10-07, subject to the standard conditions set forth in the permit and direct the Director of Planning and Economic Development to extend said permit; and
2. Adopt Resolution No. _____.

DISCUSSION:

Background and Context – On November 18, 2010, the Board approved the issuance of CDP No. 10-07 to ExxonMobil for the protection, relocation, and removal of numerous pipelines that are in conflict with both the SWGS and the Berth 200 Rail Yard projects (Transmittal 1). ExxonMobil's pipelines run from their facility on Terminal Island to the Torrance refinery. The pipelines contain crude oil or petroleum products and the pipeline sizes range in diameter from 10 to 24 inches. The pipelines will remain in service until completion of new segments. Once new segments are operational, ExxonMobil will proceed to remove the segments of pipelines that are impacting the SWGS and the proposed Berth 200 Rail Yard projects.

SUBJECT: TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-07

Under the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan* (Guidelines) construction authorized through a coastal development permit must begin within two years of issuance. If necessary, an applicant may seek a one-year extension. Consistent with the Guidelines, ExxonMobil applied for a one-year extension for CDP No. 10-07 on October 9, 2012, prior to its expiration date on December 15, 2012. If approved by the Board, the CDP would be extended to December 15, 2013.

ExxonMobil is requesting a one-year extension to CDP No. 10-07 due to delays that resulted from negotiations with the Harbor Department over liability for any contaminated soil that may be encountered in the new pipeline corridors and project design issues related to the SWGS project that impacted ExxonMobil's scope of work. The Harbor Department has agreed to assume liability over any contaminated soil encountered during construction of the new pipeline that is not attributable to ExxonMobil. The project schedules for the SWGS and the proposed Berth 200 Rail Yard projects will not be impacted with this agreement. Engineering drawings are expected to be finalized by the end of November 2012 with construction now expected to begin in early 2013.

Staff is recommending that the Board approve a one-year extension of CDP No. 10-07 (Transmittal 2). The proposed project, located in Master Planning Area 5, is a Level I non-appealable project in accordance with the Guidelines. A Level I permit is one of three levels of permits that the Board can issue. 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 as the protection, relocation, and removal of numerous pipelines would support the operation of the SWGS and the Berth 200 Rail Yard, which is an allowable use in Master Planning Area 5. The proposed project has been found to be consistent with Chapter 8 policies of the California Coastal Act of 1976, as amended. Specifically, the relocation and removal of pipelines near the SWGS and the proposed Berth 200 Rail Yard 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 approval of a one-year extension of CDP No. 10-07 for protection, relocation, and removal of pipelines by ExxonMobil as required as part of the SWGS and Berth 200 Rail Yard projects. The SWGS was evaluated and exempted from the requirements of the California Environmental Quality Act (CEQA) and the Berth 200 Rail Yard was evaluated as part of the Berths 136-147 [TraPac] Environmental Impact Statement/Environmental Impact Report (EIS/EIR) which was certified by the Board in December 2007. Therefore, as an activity for which the underlying projects have previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined

DATE: NOVEMBER 8, 2012

PAGE 3 OF 3

SUBJECT: TIME EXTENSION OF COASTAL DEVELOPMENT PERMIT NO. 10-07

that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(i) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

The proposed one-year time extension of existing Level I CDP is not expected to have a financial impact upon the Harbor Department. All costs to protect, reroute, and remove the proposed pipelines will be entirely borne by ExxonMobil.

CITY ATTORNEY:

This action raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. Coastal Development Permit No. 10-07

FIS Approval: MP (initials)

CA Approval: JM (initials)


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FOR KATHRYN McDERMOTT
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APPROVED:


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ADP No: 100909-086

CDP No: 10-07