



Executive Director's  
Report to the  
Board of Harbor Commissioners

**DATE: MAY 2, 2017**

**FROM: WATERFRONT & COMMERCIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - REVOCABLE PERMIT  
LICENSE WITH PHILLIPS 66 COMPANY**

**SUMMARY:**

Staff requests approval of a Revocable Permit License for Phillips 66 Company (Phillips 66) for use and occupancy of the following premises on a no-fee basis within the Harbor District described as: Location 1: The parking lot at Berths 54 and 55 and Location 2: The north end of the parking lot at 22<sup>nd</sup> Street Park. The Revocable Permit License is required to allow Phillips 66 at their sole expense to complete the activities involved in the removal and in-place abandonment of the out-of-service Union Oil Harbor pipelines. Staff has been working with Phillips 66 since January 2016 to provide access to the pipelines. Phillips 66 was performing the work under the former Temporary Entry and Use Permit (TEUP) No. 1565. Due to equipment breakdown, Phillips 66 was not able to complete their work during the term of the TEUP and has requested to finish the removal and in-place abandonment of the out-of-service pipelines.

On January 12, 2017, the approval of the new Temporary Entry and Use Permit policy limited the application of TEUPs for special event applications only. Currently, the proper real estate entitlement to provide non-possessory rights to perform this type of access, maintenance, and repair work is a Revocable Permit License which requires approval by the Board of Harbor Commissioners as requested in this staff report.

**RECOMMENDATION:**

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

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(17) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Find that it is in the best interest of the City of Los Angeles Harbor Department to deviate from the Harbor Department Leasing Policy to allow for no rent to be charged for removal and in-place abandonment of the existing pipelines;
3. Approve the Revocable Permit License for Phillips 66 Company;
4. Authorize the Executive Director to execute the Revocable Permit License; and
5. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: REVOCABLE PERMIT LICENSE WITH PHILLIPS 66**

**DISCUSSION:**

Proposed Action - Staff requests approval of a Revocable Permit License for Phillips 66 (Transmittal 1) to use and occupy the premises described as Location 1: The parking lot at Berths 54 and 55 and Location 2: The north end of the parking lot at 22<sup>nd</sup> Street Park (Transmittal 2). This Revocable Permit License shall be effective from June 14, 2017 to August 31, 2017, not including weekends.

Background/Context - Phillips 66 Company ceased operations at the property in 2002 and was directed by the Harbor Department to remediate and restore the site to the Harbor Department's satisfaction. On May 25, 2012, the Harbor Department directed Phillips 66 Company to remove all of its remaining out-of-service pipelines running from Berths 45-47 to Phillip 66's Wilmington refinery on Anaheim Street in Wilmington, in order to not impact Harbor Department projects.

Phillips 66 submitted an Application for Port Permit (APP) on January 2016, for the removal and/or in-place abandonment of the out-of-service pipeline segments. The Applicant was originally granted a TEUP for the period of May 1, 2016 to July 8, 2016. Activities granted under the TEUP authorization included: site reconnaissance, Underground Service Alert notification, meeting with utility owners, geophysical survey, potholing to locate pipelines and conflicting utilities, pipeline removal, in-place abandonment, excavation backfill, surface restoration, and temporary storage of pipeline segments and other project-derived waste streams. However, Phillips 66 was not able to complete the work during the term of the TEUP. Phillips 66 has requested access to the premises to complete the removal and in-place abandonment of the out-of-service pipelines.

On January 12, 2017, the Board approved to revise the authorization of the Executive Director to grant TEUPs for special event applications only, which no longer accommodated Phillips 66's proposed use. The Harbor Department requires that the proper real estate entitlement to provide non-possessory rights to perform this type of access, maintenance, and repair work is a Space Assignment.

However, since the Harbor Department requested Phillips 66 to continue the work of removal and in-place abandonment of the pipelines with no charge for the best interest of the Harbor Department, a Revocable Permit License which requires approval by the Board of Harbor Commissioners as requested in this staff report.

The Office of the City Attorney concurs with staff that any applications that fall under the industrial construction category with no required compensation are subject to Board approval.

SUBJECT: REVOCABLE PERMIT LICENSE WITH PHILLIPS 66

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a Revocable Permit License for Phillips 66 to allow access to Harbor Department property for removal and abandonment of pipelines. As an activity involving minor alteration of subsurface pipelines, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Under the proposed Revocable Permit License, Phillips 66 would be granted access to the aforementioned Locations 1 and 2 on a no-charge basis from June 14, 2017 through August 31, 2017 to complete the removal and in-place abandonment of pipelines at the direction of the Harbor Department.

**CITY ATTORNEY:**

The Revocable Permit License has been reviewed and approved as to form and legality by the Office of the City Attorney.

**TRANSMITTALS:**

- 1. Revocable Permit License
- 2. Site Map

FIS Approval: MR (initials)  
 CA Approval: gr (initials)



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 Deputy Executive Director

APPROVED:



EUGENE D. SEROKA  
 Executive Director