



Executive Director's
Report to the

Board of Harbor Commissioners

DATE: NOVEMBER 25, 2013

FROM: REAL ESTATE

**SUBJECT: ORDER NOS. _____ - DIRECTING VARIOUS
LOS ANGELES HARBOR DEPARTMENT TENANTS TO RELOCATE
PIPELINES INTERFERING WITH THE TRAPAC BERTHS 142-147
INTERMODAL CONTAINER TRANSFER FACILITY PROJECT AND
BERTHS 142-143 BACKLAND PROJECT**

SUMMARY:

On August 13, 2009, the Board of Harbor Commissioners (Board) approved a 30-year permit with TRAPAC, INC. (TraPac). The permit paved the way for the redevelopment of the TraPac Terminal, which requires the development of the existing Pier A Rail Yard into the Berths 142-147 Intermodal Container Transfer Facility and the Berths 142-143 Backland Project (collectively referred to herein as the "TraPac ICTF Projects"). On November 13, 2013, the Los Angeles City Council approved the Second Amendment to the permit, which was approved by the Board on September 19, 2013. The Second Amendment authorized the conversion of the terminal to an automated crane system using automated cranes mounted on rails instead of rubber-wheeled ones. To accommodate these projects, several underground and above-ground pipelines from various companies must be removed, relocated, and/or protected in place.

The proposed Orders will serve as a notice to the impacted City of Los Angeles Harbor Department (Harbor Department) pipeline tenants, in accordance with each tenant's permit, to remove, relocate, and/or protect in place the affected pipelines.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Orders directing ExxonMobil Oil Corporation, Equilon Enterprises LLC, dba Shell Oil Company, Paramount Petroleum Corporation, ARCO Terminal Services Corporation, Chemoil Terminals Corporation, Chevron U.S.A. Inc., Ultramar Inc., and Nustar Energy (Shore Terminal) to remove, relocate, and/or protect in place, the pipelines interfering with the TraPac ICTF Projects;
2. Authorize the Board Secretary to attest to the Orders directing the aforementioned Harbor Department tenants to remove, relocate, and/or protect in place, the pipelines which interfere with the TraPac ICTF Projects; and
3. Adopt Order Nos. _____.

DISCUSSION:

Background/Context – The redevelopment of TraPac's facilities necessitates the pipeline tenants to remove, relocate, and/or protect in place the affected pipelines.

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Berths 142-147 Intermodal Container Transfer Facility – The proposed project will transform all existing improvements and include site preparation and development of the rail yard into a container terminal on-dock rail facility. It also includes main-line track improvements and new intermodal storage yard tracks all to support the TraPac rail facilities (Transmittal 2).

Berths 142-143 Backland Project – This phase of backland improvements is for the Automated Stacking Crane (ASC) infrastructure and four automated stacking blocks. ASCs are rail-mounted gantry cranes that interface with the terminal at the ends of the stacks. The ASCs both lift and carry loaded containers along the row to their destination within the row.

Affected Tenants – During the design process, the following Harbor Department tenants were identified as having affected pipelines: ExxonMobil Oil Corporation, Equilon Enterprises LLC, dba Shell Oil Company, Paramount Petroleum Corporation, ARCO Terminal Services Corporation, Chemoil Terminals Corporation, Chevron U.S.A. Inc., Ultramar Inc., and Nustar Energy (Shore Terminal).

Permit Terms – Pursuant to the terms and conditions for each of the following Harbor Department permits affected by the TraPac ICTF Projects, the Board has the right to make any change in route or location of the pipeline:

- ExxonMobil Oil Corporation: Permit No. 418, Section 11(u)
- Equilon Enterprises LLC, dba Shell Oil Company: Permit No. 238, Section 9(e)
- Paramount Petroleum Corporation: Revocable Permit No. 07-18, Section 9(b)
- ARCO Terminal Services Corporation: Revocable Permit No. 12-09, Section 50.3
- Chemoil Terminals Corporation: Permit No. 435, Section 11(t)
- Chevron U.S.A. Inc.: Permit No. 486, Section 11(u)
- Ultramar Inc.: Permit No. 306, Section 6(i)
- Nustar Energy (Shore Terminal): Permit No. 712, Section 8(j)

The aforementioned permits specify that the “Board shall have the right to make any change in the route or location of any pipeline constructed on the premises by the tenant as may be required or made necessary by the progress of harbor development or the performance of any work within the jurisdiction of the Board. If the Board determines that any such change or relocation is necessary, the Board shall give at least 90 days’ notice to the tenant. The cost of pipeline removal or relocation is borne by the tenant.”

Prior to any work commencing, engineering permits will be required for any surface and/or subsurface pipeline work.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Orders directing various tenants to remove, relocate, or protect in place pipelines that are in conflict with the TraPac ICTF Projects. Both projects were assessed as part of the Berths 136-147 TraPac Container Terminal Project Final Environmental Impact Statement/Final Environmental Impact Report

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(EIS/EIR), which was certified by the Board on December 6, 2007. An EIR addendum was also considered by the Board on September 19, 2013. Oil pipeline relocation, removal, and abandonment was not specifically described as part of either project. However, as an activity involving minor alterations to subsurface pipelines, 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 (17) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The projects associated with the proposed Orders will generate positive job impacts. However, the economic benefits cannot be evaluated at present.

FINANCIAL IMPACT:

Costs associated with the removal/relocation of the affected pipelines will be borne by the tenants. Removal and relocation of pipelines is expected to be revenue neutral, since compensation will continue to be collected during the pipeline rerouting process.

The removal and relocation of pipelines referenced herein paves the way for the redevelopment of the TraPac Terminal.

CITY ATTORNEY:

The Board Orders (Transmittal 1) have been approved as to form and legality by the Office of the City Attorney.

TRANSMITTALS:

- 1. Orders
- 2. Site Map



JACK C. HEDGE
Director of Real Estate

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



KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:



GARY LEE MOORE, P.E.
Interim Executive Director