



Executive Director's
Report to the
Board of Harbor Commissioners

DATE: APRIL 13, 2011

FROM: REAL ESTATE DIVISION

SUBJECT: ORDER NOS. _____ - DIRECTING EXXONMOBIL OIL CORPORATION TO REMOVE AND/OR RELOCATE PIPELINES THAT AFFECT THE TRAPAC ADMINISTRATION BUILDING & MAIN GATE PROJECT AND THE CABRILLO WAY MARINA PROJECT

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is currently coordinating the following two construction projects that are being impacted by existing privately owned surface/subsurface oil pipelines: (1) TraPac Administration Building & Main Gate Project (TraPac Expansion Project) and (2) Cabrillo Way Marina Project (Cabrillo Marina Project).

The TraPac Expansion Project will include a new administration building, main gate, parking lot, and pedestrian bridge for TraPac, Inc. (TraPac) as part of the expansion of TraPac's container terminal operations at Berths 136-147. The TraPac administration building, main gate, parking lot, and pedestrian bridge are proposed to be located in a four-acre lot south of Harry Bridges Boulevard, between Lagoon Avenue and Bay View Avenue, in Wilmington (see Transmittal 2). Based on the design of the TraPac Expansion Project, existing private oil pipelines will be impacted.

The Cabrillo Marina Project will consist of 697 berthing slips with concrete floating docks, a 400 dry boat storage facility, boater and public restrooms, promenades, parking and related facilities on approximately 64.14 acres located within the West Channel Area in San Pedro. The Cabrillo Marina Project is nearing completion. Based on the design of the Cabrillo Marina Project, an existing private subsurface oil pipeline will be impacted.

In order to complete the TraPac Expansion Project and the Cabrillo Marina Project, several underground and aboveground pipelines operated by Mobil Oil Corporation, now ExxonMobil Oil Corporation (ExxonMobil), under Permit No. 418, must first be removed and/or relocated. The proposed Orders will serve as notice to the impacted Harbor Department tenant, in accordance with the tenant's permit, to remove and/or relocate the affected pipelines.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Approve the Orders directing ExxonMobil Oil Corporation to remove and/or relocate certain pipelines;

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2. Authorize the Board Secretary to attest to the Orders directing the aforementioned Harbor Department tenant to remove and/or relocate pipelines; and
3. Adopt Order Nos. _____.

DISCUSSION:

Background

TraPac Expansion Project – On August 13, 2009, the Harbor Department approved a 30-year permit with TraPac. The permit paves the way for the TraPac Expansion Project, which includes the demolition of all existing improvements and removal/relocation of existing pipelines, site preparation, and construction of a new TraPac administration building, main gate, employee parking spaces, and pedestrian bridge.

Cabrillo Marina Project – The redevelopment of the Cabrillo Way Marina was initiated in February 2009, with construction being conducted in two phases. Phase I was completed on July 1, 2010, and consisted of approximately 20.69 acres of land and water to construct 348 recreational boating slips. Construction of Phase II consists of 43.45 additional acres of land and water to construct an additional 349 recreational boating slips, a 400 dry boat storage facility, boater and public restrooms, promenades, parking and related facilities.

Affected Tenant/Permit – During the design process for the TraPac Expansion Project and the Cabrillo Marina Project, the Harbor Department tenant and associated permit listed below was identified as having pipelines that required removal and/or relocation in order to implement the two projects. The specific permit, as well as the specific provision related to removal and/or relocation of pipeline is also noted below:

ExxonMobil Oil Corporation – Permit No. 418, Section 11(u)

The aforementioned permit section specifies that the Board of Harbor Commissioners (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.”

In order for ExxonMobil to formally comply with the relocation provision of Permit No. 418, ExxonMobil must be issued an Order directing it to relocate the existing pipeline located in the Cabrillo Marina Project area. The proposed Order will serve as an official notice to ExxonMobil, in accordance with ExxonMobil’s Permit No. 418, to remove and/or relocate its affected pipeline(s).

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ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Orders directing ExxonMobil to remove and/or relocate pipelines that would interfere with current projects under construction, the Trapac Expansion Project and Cabrillo Way Marina Project, which were previously assessed under the requirements of the California Environmental Quality Act (CEQA). The Director of Environmental Management has determined that the proposed action is exempt from CEQA as an activity for which the underlying projects have been previously assessed under Article II Section 2(i) and as an activity involving the alteration of subsurface pipelines under Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

The employment impact of removing/relocating pipelines is dependent on costs borne by ExxonMobil and cannot be determined at this time.

FINANCIAL IMPACT:

No financial impact arising out of this proposed Board action is anticipated. Costs associated with the removal and/or relocation of the affected pipelines will be borne by ExxonMobil. The removal/relocation of pipelines is expected to be revenue neutral, since compensation will continue to be collected during the pipeline rerouting process.

CITY ATTORNEY:

The Orders have been prepared by the Office of the City Attorney.

TRANSMITTALS:

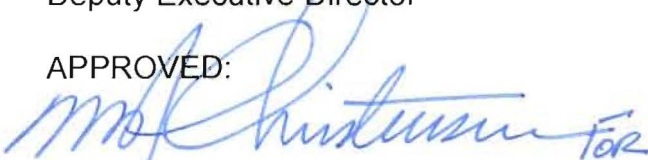
- 1. Orders
- 2. TraPac Site Plan – Design Sketch
- 3. Cabrillo Marina Site Map

FIS Approval: egf (initials)

City Attorney: TR (initials)


 KATHRYN McDERMOTT
 Deputy Executive Director

APPROVED:


 GERALDINE KNATZ, Ph.D.
 Executive Director