



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: FEBRUARY 2, 2016

FROM: CARGO & INDUSTRIAL REAL ESTATE

SUBJECT: ORDER NOS. _____ - DIRECTING EXXONMOBIL OIL CORPORATION AND SOUTHERN CALIFORNIA GAS COMPANY TO RELOCATE PIPELINES INTERFERING WITH THE BERTHS 212-224 TERMINAL ISLAND CONTAINER TRANSFER FACILITY EXPANSION PROJECT

SUMMARY:

Staff requests approval of the Orders directing ExxonMobil Oil Corporation and Southern California Gas Company to relocate pipelines interfering with the Berths 212-224 Terminal Island Container Transfer Facility (TICTF) Expansion Project (Project). The Los Angeles Harbor Department (Harbor Department) plans to install a new loading rail track that will be added to the existing TICTF on-dock rail yard as part of the Project. The additional operational on-dock rail track is needed for Yusen Terminals LLC (YTI) to have the capacity to efficiently accommodate an increase in peak container volumes associated with larger container ships calling at YTI's terminal. However, to accommodate the Project, several underground pipelines from two utility companies must first be removed, relocated, or protected in place.

The proposed Orders will serve as notice to impacted Harbor Department pipeline tenants, in accordance with each pipeline tenant's permit, to remove or relocate the affected pipelines.

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 II Section 2(i) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Orders directing ExxonMobil Oil Corporation and Southern California Gas Company to relocate pipelines in the Berths 212-224 TICTF Expansion Project area;
3. Authorize the Board Secretary to attest to the Orders directing the aforementioned Harbor Department tenants to relocate pipelines which interfere with the Berths 212-224 TICTF Expansion Project; and
4. Adopt Order Nos. _____.

SUBJECT: ORDERS DIRECTING THE RELOCATION OF EXXONMOBIL AND SOUTHERN CALIFORNIA GAS COMPANY PIPELINES**DISCUSSION:**

Background/Context – Under Permit No. 692, YTI operates a cargo terminal through 2016 and has recently exercised its option to extend the permit through 2026. There are currently eight loading tracks operating at TICTF which are shared between YTI and Everport. The additional operational on-dock rail track will increase the capacity of YTI's portion of TICTF and provide sufficient capacity to handle the full amount of anticipated demand for on-dock rail facilities associated with the maximum terminal throughput.

Berths 212–214 TICTF Expansion Project Construction - The proposed Project will include installing one new operational rail track that will be added to the existing TICTF on-dock rail yard (Transmittal 1). Specifically, the Project will consist of adding one loading track (approximately 2,900 linear feet), grading and paving, excavation and disposal of hazardous materials, fencing, striping, and utility pipeline modifications, relocations, and removals.

Affected Tenants - During the design process, the Harbor Department identified certain existing oil and natural gas pipelines as affecting the progress of the Project and must be relocated, removed, or covered in place. ExxonMobil Oil Corporation and Southern California Gas Company were identified as having affected pipelines:

Permit Terms - Pursuant to the terms and conditions for each of the following Harbor Department permits affected by the Project, the Board has the right to make any change in route or location of existing pipeline(s) location:

- ExxonMobil Oil Corporation, Permit No. 418, Section 11(u); and
- Southern California Gas Company – Order No. 4506. – Section 9(h)

The 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.”

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Orders directing the removal or relocation of pipelines by ExxonMobil Oil Corporation and Southern California Gas Company which interfere with construction of the TICTF Expansion Project. The TICTF expansion and potential associated pipeline relocations were assessed as part of the Berths 212-224 [YTI] Container Terminal Improvements Project, which was certified by the Board on November 7, 2014. Therefore, as an activity for which the underlying project has previously been evaluated for environmental significance and processed according to the requirements of CEQA, the Director of Environmental Management has determined 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.

SUBJECT: ORDERS DIRECTING THE RELOCATION OF EXXONMOBIL AND SOUTHERN CALIFORNIA GAS COMPANY PIPELINES

FINANCIAL IMPACT:

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

CITY ATTORNEY:

The Orders (Transmittal 2) have been prepared and approved as to form and legality by the Office of the City Attorney.


TRANSMITTALS:

1. Site Map
2. Orders

FIS Approval: ms (initials)
CA Approval: MS (initials)



JACK C. HEDGE
Director of Cargo & Industrial Real Estate



MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



EUGENE D. SEROKA
Executive Director

ES:MD:JH::ST:FS:raw
Author: Frank Sanchez
BL569raw ExxonMobil & So Cal Gas Pipeline Relocation