

DATE: SEPTEMBER 21, 2021

FROM: CARGO & INDUSTRIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - APPROVAL OF FIVE-YEAR
REVIEW OF REVOCABLE PERMIT NO. 95-25 WITH DOW CHEMICAL
COMPANY**

SUMMARY:

Staff requests approval of the continuation of Revocable Permit No. 95-25 (RP 95-25) with Dow Chemical Company (Dow) for a subsurface pipeline comprising 550 square feet located at 804 Pennington Avenue, Wilmington. Approval of the proposed action will entitle the tenant to continue occupancy of the premises on a month-to-month basis. Further, monthly rent under RP 95-25 of \$96.25 will continue, subject to a compensation reset in November 2021, if RP 95-25 is not sooner terminated.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(18(f)) of the Los Angeles City CEQA Guidelines;
2. Approve the continuation of Revocable Permit No. 95-25 with Dow Chemical Company; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – The Board reviews revocable permits in five-year intervals for continuation or modification. The effective date of the current permit was September 14, 1995. Under RP 95-25, Dow operated the subject pipeline associated with its former styrene facility in Torrance, California. The premises consists of 550 square feet of subsurface land at 804 Pennington Avenue in Wilmington, northeast of the intersection of Anaheim Street and Pennington Avenue (Transmittal 1). Dow's styrene facility ceased its operations and is currently conducting the environmental site characterization and restoration of the premises based on the terms and conditions under RP 95-25.

Upon completion of the characterization and restoration, RP 95-25 will be terminated. In November 2020, staff completed a market rate rental adjustment for RP 95-25 from \$835 to \$1,155 per year (or \$69.59 to \$96.25 per month). Provided that the RP is not terminated sooner, staff will reset compensation in November 2021 to current market rates.

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This action constitutes the first five-year review for RP No. 95-25. The tenant is in good standing and has paid the City of Los Angeles Harbor Department (Harbor Department) its annual rent of \$1,155 on time. RP 95-25 is not on the latest Revocable Permit form, but due to its pending termination, staff recommends continuation of the RP under its existing terms. Staff requests approval to continue the tenancy under the RP 95-25.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of the continuation of RP 92-25 with Dow on a month-to-month basis, which is an activity involving the issuance of renewals or extensions granting use of subsurface pipelines serving industrial or commercial facilities involving negligible or no expansion of use and/or alteration or modification of the facilities or its operations beyond that previously existing or permitted. Therefore, the Director of Environmental Management has determined that the proposed action is categorically exempt from the requirements of CEQA in accordance with Article III Class 1(18(f)) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval of the proposed action will entitle the tenant to restore the premises and the Harbor Department to continue receiving rent revenues of \$1,155 per year until the premises is restored and RP 95-25 is terminated.

CITY ATTORNEY:

The Office of the City Attorney has reviewed the proposed action and finds no legal issues at this time.

TRANSMITTAL:

1. Site Map

FIS Approval MB
CA Approval: SO

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