

**DATE: MARCH 18, 2021**

**FROM: CARGO AND INDUSTRIAL REAL ESTATE**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVAL OF FIVE-YEAR REVIEW  
OF REVOCABLE PERMIT NO. 12-08 WITH PHILLIPS 66 COMPANY**

**SUMMARY:**

Staff requests approval of the continuation of Revocable Permit No. 12-08 (RP 12-08) with Phillips 66 Company for property located at Berths 153-154. Approval of the proposed action will entitle Phillips 66 Company to continue operations of its monitoring wells at each site. Further, quarterly rent under RP 12-08 will continue in the amount of \$566.51, or \$2,266.04 per year, subject to Consumer Price Index (CPI) adjustments annually on July 1.

**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 the California Environmental Quality Act (CEQA) under Article III, Class 1(14), of the Los Angeles City CEQA Guidelines;
2. Approve the continuation of Revocable Permit No. 12-08 with Phillips 66 Company; and
3. Adopt Resolution No. \_\_\_\_\_.

**SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 12-08**

**DISCUSSION:**

Background – The Board reviews revocable permits in five-year intervals for continuation or modification. This action constitutes the first five-year review for RP 12-08. RP 12-08 generates less than \$150,000 in revenue per year; therefore, compensation resets and other modifications fall under the Executive Director's authority threshold and do not require further Board action beyond this confirmation review every five years.

RP No. 12-08 – Under RP 12-08, Phillips 66 Company operates six monitoring wells for environmental testing on land totaling 24 square feet at Berths 153 and 154 in Wilmington (Transmittal 1). Phillips 66 Company was required by the Regional Water Quality Control Board to install the temporary wells in 2012 to monitor the ground water for potential contamination that may migrate from the adjacent Phillips 66 Company terminal facility immediately west of Berths 153 and 154. The effective date of RP 12-08 is March 6, 2013. The Phillips 66 Company is in good standing, with current rents of \$566.51 per quarter.

Staff requests approval to continue under the existing entitlement due to the temporary nature of the monitoring wells. This action would result in neither use changes nor facility changes. RP 12-08 is consistent with the most recent Board-approved revocable permit template. Compensation for the permit will continue at \$566.51 per quarter and is consistent with rents charged for monitoring wells in the Harbor Districts and surrounding areas. Additionally, annual CPI increases are set to occur every July 1st. No rental adjustment is recommended at this time.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of the continuation of RP No. 12-08 with Phillips 66 Company which is an activity involving the issuance, renewal or amendment of any lease, license or permit to use an existing structure or facility involving negligible or no expansion of use. 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(14) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the continuation of RP 12-08 would entitle the tenant to continue its six groundwater monitoring well operations at its respective sites. Rent under RP 12-08 with Phillips 66 Company will not be immediately changed if the proposed continuation is approved, but will continue to be automatically adjusted annually on July 1 based on CPI.

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SUBJECT: CONTINUATION OF REVOCABLE PERMIT NO. 12-08

**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: *JS*

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