



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

DATE: MARCH 9, 2011

FROM: PLANNING & ECONOMIC DEVELOPMENT DIVISION

SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL I COASTAL DEVELOPMENT PERMIT (NO. 11-02) TO RANCHO LPG HOLDINGS, LLC FOR THE ABANDONMENT AND REMOVAL OF TWO PIPELINES AT BERTH 120.

SUMMARY:

Rancho LPG Holdings, LLC (Rancho) is proposing to abandon and remove two pipelines at Berth 120. Staff is recommending the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 11-02, a Level I, non-appealable permit for the proposed project.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Find that the proposed project conforms with the Port Master Plan and the California Coastal Act of 1976, as amended, and find that this project will have no significant adverse environmental impacts as provided in the California Environmental Quality Act (CEQA);
2. Authorize the Executive Director to approve the issuance of CDP No. 11-02; consistent with the project description listed on Application for Discretionary Project No. 110110-007; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – In 1995, the City of Los Angeles Harbor Department (Harbor Department) approved the assignment of Permit 263 to Amerigas, which included the rights to operate 4-inch and 16-inch underground pipelines at Berth 120. Prior to 2004, these two pipelines were used to transport propane and butane gas to and from ships at Berth 120 to the Amerigas Gaffey Street Storage Facility. In 2004, the Harbor Department terminated Amerigas' berth assignment to use Berth 120. In 2008, Rancho acquired the pipelines from Amerigas. Rancho proposes to remove approximately 850 feet of 4-inch and 16-inch underground pipelines and cap and abandon-in-place approximately 2,050

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feet of the same 4-inch and 16-inch pipelines to comply with requirements relating to the termination of their lease. Abandonment, demolition, and removal activities will not interfere with surrounding container terminal operations. All excavation work will be completed within the Kinder Morgan lease boundaries immediately behind the wharf at Berth 120. Those portions of the two pipelines that are located underneath the West Basin Container Terminal will be capped and left in place. In addition to Kinder Morgan and the operator of the Yang Ming container terminal, port tenants adjacent to the project area have been notified.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 4, is a Level I, non-appealable project in accordance with the definitions set forth in the *Guidelines for Implementation of the Port of Los Angeles Certified Port Master Plan*. A Level I permit is one of three levels of permits that the Board can issue. Level I permits are issued for developments that involve minimal changes in land/water use, and minor changes in density and intensity of use.

The proposed project has been found to be consistent with the Port Master Plan and Chapter 8 policies of the California Coastal Act of 1976, as amended, as it would allow for future port-related development to occur in the vicinity of the project. Specifically, the removal of the pipelines at Berth 120 is consistent with Section 30708 that requires port-related development to give highest priority to the use of existing land space within harbors for port purposes

ENVIRONMENTAL ASSESSMENT:

The proposed action is the issuance of a CDP to abandon and remove two pipelines at Berth 120. The project involves removal of existing subsurface pipelines serving industrial facilities where there is no replacement or expansion of use as a result of this project and no significant impact to the environment. Special pipeline conditions for excavation and trenching would be required. Based on the above, the Director of Environmental Management has determined that the proposed action is considered exempt from the requirements of the California Environmental Quality Act (CEQA) under Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Removing pipelines under this CDP will have approximately four direct and three secondary one-year equivalent job impacts in the five-county region.

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FINANCIAL IMPACT:

Issuance of the proposed Level I CDP will not have a financial impact upon the Harbor Department. All costs for the removal of two pipelines will be entirely borne by Rancho.


CITY ATTORNEY:

This action raises no legal issues at this time.

TRANSMITTALS:

1. Site Location Map
2. CDP No.11-02

FIS Approval: KR (initials)


DAVID L. MATHEWSON
Director of Planning & Economic Development


KATHRYN McDERMOTT
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

R. Mills
DM:rm
ADP No. 110110-007