



DATE: FEBRUARY 8, 2017

FROM: WATERFRONT & COMMERCIAL REAL ESTATE

**SUBJECT: RESOLUTION NO. _____ - REVOCABLE PERMIT LICENSE WITH
PBF ENERGY WESTERN REGION LLC DBA TORRANCE PIPELINE**

SUMMARY:

Staff requests approval of a Revocable Permit License for PBF Energy Western Region LLC dba Torrance Pipeline (PBF) for use and occupancy of 300 square feet of premises located at 655 S. Fries Avenue, approximately 914 feet south of Pier A Street and Water Street in Wilmington. The Revocable Permit License is required to allow PBF to access and repair a pipeline, which is regulated by the California State Fire Marshall. The repair is required to be complete within the first quarter of 2017. Staff has been working with PBF since September 2016 to provide access to the pipeline, which also requires additional access rights to be coordinated with Pasha Stevedoring Terminals (Pasha), an adjacent City of Los Angeles Harbor Department (Harbor Department) tenant. PBF was originally prepared to perform the work under the former Temporary Entry and Use Permit authorization. However, approval of the new Temporary Entry and Use Permit (TEUP) policy on January 12, 2017, limited the application of TEUPs for special event applications only. Currently, the proper real estate entitlement to provide non-possessory rights to perform this type of access, maintenance, and repair work is a Revocable Permit License which requires approval by the Board of Harbor Commissioners as requested in this staff report.

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 III Class 2(5) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Revocable Permit License for PBF Energy Western Region LLC dba Torrance Pipeline;
3. Authorize the Executive Director to execute the Revocable Permit License; and
4. Adopt Resolution No. _____.

SUBJECT: REVOCABLE PERMIT LICENSE WITH PBF ENERGY

DISCUSSION:

Proposed Action - Staff requests approval of a Revocable Permit License for PBF to use and occupy the premises described as 655 S. Fries Avenue in Wilmington. This Revocable Permit License shall be effective from February 20, 2017 to March 10, 2017, not including weekends. Staff has determined that a minimum daily fee of \$250 per day or a total of \$3,750 for 15 days of use is justifiable compensation to account for both market rent and administration of the requested permit.

Background/Context – On September 2016, PBF submitted an Application for Port Permit (APP) to repair the pipeline under Permit No. 914. The premises under Permit No. 914 includes the PBF liquid bulk terminal at Berth 240 on Terminal Island and associated pipeline assets. Pipeline repair will include: site reconnaissance, Underground Service Alert notification, meeting with utility owners, geophysical survey, potholing to locate pipelines and utilities, trench excavations, installing and rerouting pipeline, in-place abandonment, excavation backfill, surface restoration, and temporary storage of pipeline segments and other project-derived waste streams. The Applicant originally requested a TEUP for the period of November 2016 to March 2017 for construction.

Staff informed PBF that a TEUP would be provided to them for the location that is owned and managed by the Harbor Department. However, the Applicant would need to obtain a written access agreement with Pasha for the requested location that is included in Pasha's lease premises. In November 2016, PBF communicated to Harbor Department staff that they confirmed dates for construction with Pasha for February 13, 2017 to March 3, 2017. In December 2016, PBF was informed by Pasha that construction dates needed to be changed to February 20, 2017 through March 10, 2017. In order to accommodate this change, the existing TEUP would require a revision that was no longer possible under the new TEUP policy.

On January 12, 2017, the Board approved to revise the authorization of the Executive Director to grant TEUPs for special event applications only, which no longer accommodated PBF's proposed use. Staff is currently preparing a separate policy for future Board consideration to authorize use of a Revocable Permit License template for industrial construction and access purposes with limited delegation of authority to the Executive Director to grant this type of entitlement.

The Office of the City Attorney concurs with staff that any applications that fall under the industrial construction category are subject to Board approval until the Revocable License template is in place.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Revocable Permit License for PBF to access and repair a pipeline at 655 S. Fries Avenue. As an activity involving the repair of an existing pipeline involving negligible or no expansion of use beyond that previously existing, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article III Class 2(5) of the City CEQA Guidelines.

SUBJECT: REVOCABLE PERMIT LICENSE WITH PBF ENERGY

FINANCIAL IMPACT:

Under the proposed Revocable Permit License, PBF shall pay the Harbor Department \$250 per weekday, for fifteen working days, for use of the premises from February 20, 2017 to March 10, 2017, for a total of \$3,750.

CITY ATTORNEY:

The Revocable Permit License has been reviewed and approved as to form and legality by the Office of the City Attorney.

TRANSMITTAL:

1. Revocable Permit License

FIS Approval: MB (initials)
CA Approval: CPB (initials)




MICHAEL J. GALVIN
Director of Waterfront & Commercial Real Estate



FOR MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:



FOR EUGENE D. SEROKA
Executive Director

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