



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: NOVEMBER 4, 2010

FROM: PLANNING & ECONOMIC DEVELOPMENT DIVISION

**SUBJECT: RESOLUTION NO. _____ – ISSUANCE OF A LEVEL I
COASTAL DEVELOPMENT PERMIT (NO. 10-07) TO EXXONMOBIL OIL
CORPORATION FOR THE REMOVAL OF PIPELINES AT VARIOUS
LOCATIONS IN WILMINGTON, CALIFORNIA**

SUMMARY:

ExxonMobil Oil Corporation (ExxonMobil) is proposing to protect, reroute, abandon-in-place, or remove numerous pipelines in Wilmington that are in conflict with the South Wilmington Grade Separation (SWGS) or the Berth 200 Rail Yard. Staff is recommending the Board of Harbor Commissioners (Board) approve Coastal Development Permit (CDP) No. 10-07, 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 is in conformity 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. 10-07; consistent with the project description listed on Application for Discretionary Project Nos. 100909-086 & 100909-087; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background – In April 2006, the Board approved the SWGS project, which will eliminate two existing at-grade railroad crossings at Fries Avenue and Avalon Boulevard, minimizing delays in both vehicular and rail traffic. In September 2008, the TraPac Expansion project was approved by the Board, which included the relocation of the Pier A Rail Yard to the backland of Berth 200 in order to expand TraPac's operations.

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On April 15, 2010, the Board approved Order No. 10-7040, which directed various tenants to remove and/or relocate pipelines that would interfere with the impending projects. In July and September 2010, the Board approved coastal development permits for Chevron Pipeline for the removal or protection of pipelines in accordance with this Order.

ExxonMobil has numerous pipelines that are located underneath the proposed SWGS and Berth 200 Rail Yard projects. In compliance with the City of Los Angeles Harbor Department (Harbor Department) request, ExxonMobil submitted an application to protect, reroute, abandon-in-place, or remove numerous pipelines that are in conflict with either the SWGS or the Berth 200 Rail Yard. The removal of these pipelines is necessary because routine or emergency maintenance of the pipelines after construction would impact operations of the SWGS and the proposed Berth 200 Rail Yard. All fluids recovered from the pipeline removals will be processed at an ExxonMobil approved processing or disposal facility.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 5, 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 as the protection, reroute, abandon-in-place, or removal of numerous pipelines would support the operation of the SWGS and the Berth 200 Rail Yard, which is an allowable use in Master Planning Area 5. The proposed project has been found to be consistent with Chapter 8 policies of the California Coastal Act of 1976, as amended. Specifically, the relocation and removal of pipelines near the SWGS and the proposed Berth 200 Rail Yard 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 to remove and/or relocate pipelines that would interfere with the impending projects, the SWGS and the proposed Berth 200 Rail Yard, which were previously assessed under the requirements of the California Environmental Quality Act (CEQA). As such, the Director of Environmental Management has determined that the proposed action is exempt from CEQA as an activity for which the underlying project has been previously assessed under Article II Section 2(i) and as an activity involving

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the alteration of subsurface pipelines under Article III Class 1(17) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Spending by ExxonMobil on this project is estimated to support up to 13 direct and 12 secondary (indirect and induced) one-year-equivalent jobs in the five-county region.

FINANCIAL IMPACT:

Issuance of the proposed Level I CDP is not expected to have a financial impact upon the Harbor Department. All costs to protect, reroute, abandon-in-place, or remove the proposed pipelines will be entirely borne by ExxonMobil.

CITY ATTORNEY:

This action raises no legal issues at this time.

TRANSMITTALS:

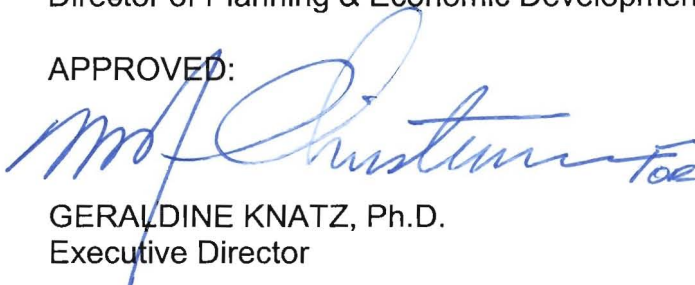
1. Site Location Map
2. CDP No.10-07

FIS Approval: KF (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 Nos. 100909-086 & 100909-087