

**DATE: SEPTEMBER 25, 2012**

**FROM: PLANNING & ECONOMIC DEVELOPMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - ISSUANCE OF A LEVEL I  
COASTAL DEVELOPMENT PERMIT (NO. 12-11) TO GENERAL  
PETROLEUM CORPORATION FOR REMEDIATION AND  
REDEVELOPMENT OF THEIR FACILITY AT BERTH 259**

**SUMMARY:**

General Petroleum Corporation (General Petroleum) is applying for Coastal Development Permit (CDP) No. 12-11 to remediate and redevelop their facility at Berth 259 which consists of demolishing five tanks, performing site remediation of petroleum contamination, constructing three new storage tanks, and installing two temporary tanks. Staff is recommending the Board of Harbor Commissioners (Board) approve CDP No. 12-11, 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;
2. Authorize the Executive Director to approve the issuance of Coastal Development Permit No. 12-11, consistent with the project description listed on Application for Discretionary Project No. 120313-024; and
3. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background – On June 7, 2012, the Board approved Revocable Permit (RP) 10-11 to General Petroleum for the operation of a marine fueling station area at Berth 259, previously under ExxonMobil Oil Corporation's control (Transmittal 1). Under RP 10-11, General Petroleum assumes full responsibility for remediation and site restoration with all such work to be performed subject to the City of Los Angeles Harbor Department (Harbor Department) oversight.

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Scope of Work – Issuance of CDP No. 12-11 will allow for the demolition of existing tankage, the removal of contaminated soil and site remediation of hydrocarbon contamination, and construction of three new tanks (Transmittal 2). Five above-ground storage tanks with a total capacity of 139,800 gallons and all associated piping, valves, and connections will be removed, as well as approximately 3,700 cubic yards of contaminated soil from the General Petroleum site and the adjacent Al Larson Boat Shop premises. Clean fill will be placed and three new double-wall above-ground storage tanks with a total capacity of 36,000 gallons will be constructed along with related piping and a new spill containment system. As General Petroleum needs to continue with its daily operations while construction of the new facility is taking place, General Petroleum will install two temporary tanks and associated pipelines which consist of a 17,640 gallon diesel storage tank and a 10,000 gallon gasoline storage tank on the northwest corner of the property. The work contemplated in the CDP is consistent with the new Revocable Permit approved by the Board on June 7, 2012.

The estimated project cost is approximately \$825,000. Should the Board approve the issuance of CDP No. 12-11, work would commence late October/early November 2012, and be completed within one year. The General Petroleum marine fueling station is not considered a marine oil terminal as it does not load or unload petroleum products to or from marine vessels with a storage capacity in excess of 250 barrels or 10,500 gallons. As a result, Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) do not apply to this project.

A risk analysis was prepared by the Harbor Department in accordance with the requirements and methodologies of the Port of Los Angeles Risk Management Plan (RMP). The risk analysis found that the proposed project is consistent with RMP as the proposed project's hazard footprint does not result in an overlap of any existing, planned, or permitted high density populations. The Los Angeles Fire Department (LAFD) has reviewed the findings of the risk analysis and concurs with the findings. On September 18, 2012, LAFD issued a Division 5 permit for the proposed project.

Coastal Permit Requirements – The proposed project, located in Master Planning Area 8, 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. Specifically, the project improvements are consistent with Section 30708 that requires port-related development to give the highest priority to the use of existing land space within harbors for port purposes, including necessary support improvements.

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is issuance of a Level I CDP to General Petroleum for the decommissioning and demolition of five tanks, site remediation for hydrocarbon contamination, and construction of three new tanks at Berth 259 and installation of two temporary tanks and associated piping for continued operation during demolition/remediation/construction. As an activity involving the replacement of industrial structures with new structures of substantially the same size, purpose, and capacity and a minor cleanup action taken to minimize, stabilize, and mitigate the release of hazardous waste or substances which are small or medium removal actions costing \$1 million or less, the Director of Environmental Management has determined that the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article III, Class 2(2) of the Los Angeles City CEQA Guidelines and Article 19 Class 30 of the State CEQA Guidelines.

**ECONOMIC BENEFITS:**

Approval of the proposed CDP will have no employment impact for the five-county region. The proposed project associated with this CDP is anticipated to support seven direct and five secondary one-year equivalent jobs for the region.

**FINANCIAL IMPACT:**

Approval and issuance of the proposed Level I CDP to General Petroleum is a procedural requirement to permit the remediation and replacement of storage tanks at the subject premises. The \$825,000 estimated costs associated with the proposed action, including ongoing operating and maintenance costs subsequent to project completion, will be entirely borne by General Petroleum Corporation.

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**CITY ATTORNEY:**

The proposed action raises no legal issues at this time.

**TRANSMITTALS:**

1. Site Location Map
2. CDP No. 12-11

FIS Approval: WP (initials)  
CA Approval: tm (initials)

  
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APPROVED:

  
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