DATE: 12/10/2018

TO: Board of Harbor Commissioners

FROM: Eamonn Killeen, Director of Real Estate

SUBJECT: City of Long Beach, Long Beach Gas and Oil Department
Master Joint Revocable Permit

Executive Summary
This item requests the Board of Harbor Commissioners’ approve the Master Joint Revocable Permit (MJRP) with the City of Long Beach, Gas and Oil Department (LBGO).

The MJRP covers 17 pipeline facilities of which 15 are existing crossings including abandoned pipelines, and two new additional crossings. The facilities are located on property jointly owned by the Ports of Long Beach and Los Angeles (Ports) primarily under the former Union Pacific Railroad Company (UPRR) San Pedro Branch in the cities of Long Beach and Lakewood.

Key Points
- The MJRP covers gas pipeline crossings, primarily under the former UPRR San Pedro Branch, in the Cities of Long Beach and Lakewood.
- The MJRP covers a total of 17 facilities of which two (2) of the facilities are new and 15 are existing crossings which includes abandoned pipeline facilities.
- The Port of Los Angeles will concurrently seek approval of the MJRP from its Board of Harbor Commissioners.
- The Permittee shall have the right to add and delete certain Permit Area to this Permit by requesting and acquiring approvals by both Executive Directors.
- The MJRP is revocable upon 60 days’ notice by either party.

Recommendation
This item requests the Board of Harbor Commissioners approve and authorize the Executive Director to execute the MJRP between the Port and LBGO, which is revocable upon 60 days’ notice by either party, and consists of 17 pipeline facilities located on the former UPRR San Pedro Branch in the cities of Long Beach and Lakewood, and make the determination that the project is categorically exempt pursuant to the California Environmental Quality Act and adopt the authorizing Resolution.

Financial Impact
The proposed MJRP will generate $2,000 in revenue to the two Ports annually, subject to an annual Consumer Price Index (CPI) increase. The Port of Long Beach will receive its proportionate share (50%) of revenue, which equates to $1,000 per year initially. In addition, there is a one-time processing fee of $2500, which will also be divided equally between the two Ports. A security deposit of $6,000, equal to three months rent, will be
Background
The Ports acquired right-of-way properties in the County of Los Angeles in 1994 for purposes of constructing the Alameda Corridor. These properties included areas in the former UPRR San Pedro Branch in the cities of Long Beach and Lakewood.

LBGO has 15 existing gas pipeline facilities in the former UPRR San Pedro Branch right-of-way, some of which are covered under existing agreements and others that were newly identified that may not have been under an agreement due to its public right-of-way location. In addition, some of the pipeline facilities have been abandoned in place previously, or are planned for abandonment.

Detailed Discussion of Current Issues
LBGO is in the process of improving its natural gas pipeline system. The MJRP will consolidate the 15 existing pipeline facilities and the two new subsurface natural gas pipeline facilities into one agreement for a total of 17 facilities.

The proposed fee was developed based on the standard rate for pipeline crossings, which is an annual minimum fee of $2,000 per crossing. LBGO has prior real estate rights in many of those locations, and some of the pipelines are abandoned facilities, therefore the rent will be paid for only one crossing near Lincoln Street. A security deposit is required equal to three (3) months’ rent ($6,000).