



MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL MEMBERS

FROM: CAROLYNN PETRU, AICP, DEPUTY CITY MANAGER 

DATE: AUGUST 7, 2012

SUBJECT: BORDER ISSUES STATUS REPORT

REVIEWED: CAROLYN LEHR, CITY MANAGER 

Project Manager: Kit Fox, AICP, Senior Administrative Analyst 

RECOMMENDATION

Receive and file the current report on the status of Border Issues.

EXECUTIVE SUMMARY

This month's report includes:

- A brief report on the most-recent meeting of the San Pedro Facility Restoration Advisory Board (RAB) for the Navy's Defense Fuel Support Point (DFSP) on North Gaffey Street in Los Angeles (San Pedro);
- A report on the release of the Draft Environmental Impact Report (DEIR) for the Brickwalk, LLC mixed-use condominium project in Rolling Hills Estates; and,
- An update on recent issues and events related to the Rancho LPG butane storage facility in Los Angeles (San Pedro).

BACKGROUND

The following is the regular bi-monthly report to the City Council on various "Border Issues" potentially affecting the residents of Rancho Palos Verdes. The complete text of the current status report is available for review on the City's website at:

http://palosverdes.com/rpv/planning/border_issues/2012/20120807_BorderIssues_StatusRpt.cfm

MEMORANDUM: Border Issues Status Report

August 7, 2012

Page 2

DISCUSSION

Current Border Issues

San Pedro Facility Restoration Advisory Board, US Navy/Los Angeles (San Pedro)

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on June 21, 2012. The RAB continues to deal only with environmental remediation at the active Defense Fuel Support Point (DFSP) San Pedro, not the former Navy housing sites.

There was little new information to report at the most recent RAB meeting, although attendees did take a few moments to acknowledge the recent passing of RAB Community Co-Chair (and Rancho Palos Verdes resident) Gil Alberio. Lomita Planning Commissioner Dan Jones was appointed as interim RAB Community Co-Chair, and the Navy expects to begin public outreach efforts later this year to select a permanent Community Co-Chair and new members for the RAB. The next RAB meeting is tentatively scheduled for January 17, 2013. Staff will continue to monitor this project in future Border Issues reports.

Brickwalk, LLC Mixed-Use Condominiums, Rolling Hills Estates

On July 2, 2012, Staff received the Notice of Completion/Availability for the Draft Environmental Impact Report (DEIR) for the Brickwalk, LLC mixed-use condominium project in Rolling Hills Estates (see attachments). The proposed project would replace existing office buildings at 655-683 Deep Valley Drive and 924-950 Indian Peak Road, and would also involve stabilization of and construction on the failed slope behind the "Brickwalk" commercial center on Deep Valley Drive. Staff originally commented on this project when it was first proposed in early 2007. Since that time, the number of condominium units proposed has been reduced from one hundred sixty-three (163) to one hundred forty-eight (148). The revised project still proposes 14,200 square feet of commercial space and associated off-street parking for both residential and commercial uses.

The public comment period for the DEIR was scheduled to end at 5:30 PM on Monday, August 6, 2012. Staff coordinated with the City's geotechnical consultant and the Public Works Department to offer technical comments on the project's impacts with respect to soils and geology; transportation and traffic; and drainage and infrastructure systems, and expected to transmit our comments on the DEIR to Rolling Hills Estates by the end of the public comment period.¹ A public hearing on this project before the Rolling Hills Estates Planning Commission is scheduled for Tuesday, September 4, 2012 at 7:00 PM at Rolling Hills Estates City Hall, 4045 Palos Verdes Drive North, Rolling Hills Estates, CA 90274.

Staff will continue to monitor this project in future Border Issues reports.

¹ Staff intends to distribute a copy of our DEIR comment letter to the City Council as "Late Correspondence" at tonight's meeting.

MEMORANDUM: Border Issues Status Report

August 7, 2012

Page 3

Rancho LPG Butane Storage Facility, Los Angeles (San Pedro)

In late May 2012, Staff received the attached e-mails from Janet Gunter regarding the June 7, 2012, Board of Harbor Commissioners (BHC) meeting as it related to a rail permit for the Rancho LPG butane storage facility in San Pedro. The rail permit in question covers a very short segment of the existing rail spur line adjacent to the Rancho LPG facility where it crosses Westmont Drive. A request for the BHC to revoke this permit was on the June 7th BHC agenda. Copies of the BHC agenda and Staff report are attached.

As a bit of background, in Fall 2011 the City of Los Angeles' Port Community Advisory Committee (PCAC) adopted a resolution recommending that the BHC revoke the permit for the rail spur line serving the Rancho LPG facility; perform risk assessments of the Rancho LPG facility and all hazardous commodities transported through the Port of Los Angeles; and establish a working group to examine the risks associated with the Rancho LPG facility. As described in the attached Staff report, Port Staff recommended denying the PCAC recommendation, generally on the grounds that:

- Revoking the permit for the rail line would not prevent its continued use by Rancho LPG, but would deprive the Port of insurance coverage, indemnification and lease revenue related to the rail spur; and,
- The Port does not have jurisdiction over the operations of the Rancho LPG site because it is located outside of the Port Master Plan Area and the Coastal Zone.

The Staff report did suggest that the BHC had the authority to ask an agency with direct jurisdiction over the Rancho LPG facility to undertake the studies requested by PCAC. Prior to the BHC meeting, Staff was copied on an e-mail exchange (see attachments) between Janet Gunter and Port of Los Angeles Executive Director Geraldine Knatz regarding the acceptance of public comments on this topic at the BHC meeting. Ms. Knatz clarified that PCAC and Rancho LPG would each be allotted ten (10) minutes to address the BHC, with all other public speakers limited to the customary three (3) minutes each.

The BHC met on Thursday, June 7, 2012, at the Port of Los Angeles Administration Building in San Pedro to consider (among other things) the PCAC recommendation. The *Daily Breeze* subsequently reported on June 8, 2012 (see attachments), that the BHC had rejected the PCAC recommendation to revoke this permit.

On June 18, 2012, Staff was notified that San Pedro Peninsula Homeowners United, the San Pedro & Peninsula Homeowners' Coalition and other concerned community groups would be hosting a screening of their 12-minute video *Before the Ashes* on Thursday, June 21, 2012 at Holy Trinity Parish Center in San Pedro. A meeting flyer and LPG fact sheet are attached; Staff was unable to attend this screening.

On June 27, 2012, Los Angeles 15th District City Councilman Joe Buscaino hosted a meeting of the Los Angeles City Council's Public Safety Committee to investigate the

MEMORANDUM: Border Issues Status Report

August 7, 2012

Page 4

potential risks and overall safety of liquid bulk storage facilities in the harbor area, including the Rancho LPG butane storage facility. Councilman Buscaino invited experts and regulators from numerous Federal, State, regional and city agencies to testify before the Committee, and concerned residents were encouraged to attend. The meeting was held at Taper Avenue Elementary School in San Pedro (see attached agenda and handout).

At the outset of the hearing, Councilman Buscaino invited elected officials to address the Committee. Dr. Richard Vladovic, Los Angeles Unified School District (LAUSD) Board of Education member representing the San Pedro area, expressed his concerns about the Rancho LPG facility and his desire to protect children attending nearby schools. Rancho Palos Verdes City Councilman Jerry Duhovic stated that he appreciated Councilman Buscaino's efforts in this matter, and noted that his family members and constituents on the east side of Rancho Palos Verdes were concerned about the Rancho LPG facility.

Councilman Buscaino was joined by Councilman Dennis Zine and Councilwoman Jan Perry at the dais. They began with questioning of a number of representatives of Federal, State and regional agencies regarding their respective jurisdictions over liquid bulk storage. Agencies represented included the California Occupational Safety and Health Administration (Cal-OSHA); the U.S. Environmental Protection Agency (USEPA); the Defense Logistics Agency (DLA), which operates the Navy fuel depot in San Pedro; the U.S. Occupational Safety and Health Administration (OSHA); and the South Coast Air Quality Management District (SCAQMD). Based upon the testimony provided, it was clear that each of these agencies has a very limited scope of authority over aspects of the operation of liquid bulk storage facilities.

The Committee then continued with questioning of representatives of a number of City of Los Angeles departments and agencies, including the Emergency Management Department, the Department of Sanitation, the Fire Department (LAFD), the Building and Safety Department, the Police Department (LAPD), the Planning Department, the Port of Los Angeles and the City Attorney's Office. Again, each agency appeared to have a limited scope of authority over liquid bulk storage (generally) and the Rancho LPG facility (specifically). However, based upon the discussion of the Committee, it appeared that the Emergency Management and Planning departments had the greatest potential to address the issue of the community impacts of liquid bulk storage on a more "global" scale.

After completing its questioning, the Committee offered members of the public to comment on the issue at hand. The vast majority of these comments expressed specific opposition to the Rancho LPG facility (rather than addressing the general topic of liquid bulk storage), and a desire for the City of Los Angeles to take action to remove this facility. Staff understands that representatives of Rancho LPG may have been in attendance at the hearing, but they were not questioned by nor did they address the Committee. Videos of the entire hearing—both agency staff testimony and public comment—may be viewed on-line at <http://www.la15th.com/tanksafety>. Staff will continue to monitor this project in future Border Issues reports.

MEMORANDUM: Border Issues Status Report

August 7, 2012

Page 5

New Border Issues

There are no new Border Issues on which to report at this time.

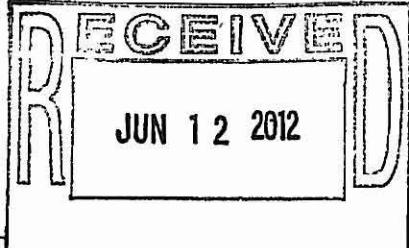
Attachments:

- San Pedro Facility RAB meeting cover letter, agenda and meeting handouts (received 6/12/12)
- Notice of Completion/Availability and Executive Summary for the Draft EIR for the Brickwalk, LLC Mixed-Use Residential Project (received 6/21/12)
- E-mails from Janet Gunter regarding June 7th Board of Harbor Commissioners (BHC) meeting (received 5/29/12 & 5/30/12)
- BHC Staff report for Rancho LPG rail permit revocation request (dated 5/31/12)
- E-mail exchange between Janet Gunter and Geraldine Knatz (dated 6/5/12)
- *Daily Breeze* article regarding outcome of June 7th BHC meeting (published 6/8/12)
- Meeting flyer and fact sheet for June 21st showing of "Before the Ashes" (received 6/18/12)
- *Daily Breeze* article regarding June 27th Public Safety Committee meeting (published 6/27/12)
- Agenda and handout from Los Angeles City Council Public Safety Committee Meeting on Liquid Bulk Storage in the Harbor area (dated 6/27/12)
- *CityWatchLA.com* article regarding Rancho LPG facility (published 7/10/12)

San Pedro Facility RAB meeting
cover letter, agenda and meeting handouts



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND SOUTHWEST
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132-5190



5090
Ser JE30.GG/2115
June 6, 2012

San Pedro Facility
Restoration Advisory Board (RAB)
San Pedro Community Members

Ladies and Gentlemen:

SUBJECT: SAN PEDRO FACILITY RESTORATION ADVISORY BOARD (RAB)
MEETING ON JUNE 12, 2012

The Defense Fuel Support Point (DFSP) San Pedro will be holding a RAB meeting on Thursday, June 21, 2012 from 4:00 to 6:00 PM, at the DFSP San Pedro Facility, Building 100. The enclosed agenda lists the proposed topics to be discussed and the location/address of the RAB meeting.

Please note that the San Pedro Facility RAB meets to review ongoing environmental work on the non-BRAC San Pedro sites. The RAB concerning the BRAC portion of the San Pedro Facility has been adjourned.

If you have any questions, you may contact Mr. Grady Gordon at (619) 532-2296 or (619) 708-0396 or via email at grady.gordon@navy.mil

Sincerely,

B. E. HELLER
Commander, CEC, U.S. Navy
By direction of the
Commanding Officer

Enclosure:

- Pedro Facility RAB Meeting Agenda

Distribution List: Restoration Advisory Board (RAB) Members
Community members

SAN PEDRO FACILITY
RESTORATION ADVISORY BOARD (RAB) MEETING
3171 North Gaffey Street, Building 100
San Pedro, California
Thursday, June 21, 2012
4:00 pm to 6:00 pm

AGENDA

4:00 PM Welcome and Introductions
Navy Co-Chair: Mr. Grady Gordon
Remembering Mr. Gilbert Alberio: Mr. Grady Gordon

4:15 PM Installation Restoration (IR) Program Status Update
Mr. Grady Gordon, Naval Facilities Engineering Command Southwest

4:25 PM IR Site 32 Remedial Investigation Update
Mr. Grady Gordon

4:35 PM Co-Chair elections

5:00 PM Source group or DLA to address any comments/concerns

5:30 PM Source group or DLA to address any comments/concerns
regarding regular base activities.

Open Forum for RAB Members and Members of the Audience

6:00 PM Meeting Adjourned

Restoration Advisory Board Membership Application

Defense Fuel Support Point San Pedro Facility

Conditions for Membership:

Restoration Advisory Board (RAB) members are expected to serve a two-year term and attend all RAB meetings (held twice annually) or designate an alternate. The alternate must be jointly approved by the Department of Defense and Community Co-Chairpersons. Members who miss three or more consecutive meetings may be asked to resign. Duties and responsibilities will include reviewing and commenting on technical documents and activities associated with the environmental restoration at the DFSP San Pedro Facility. Members will be expected to be act as a source of information exchange between the community and the RAB.

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

DAYTIME PHONE: _____

EMAIL: _____

COMMUNITY AFFILIATION: _____

OCCUPATION: _____

Briefly state why you would like to be a member of the RAB.

Are you currently or have you ever been involved with or affected by environmental cleanup activities associated with DFSP San Pedro? If yes, please explain

Please indicate if you are interested in being considered for the Community Co-Chairperson position on the RAB by checking the box below:

Yes, I would like to be considered.

Are you willing to serve a two-year term as a member of this RAB?

Yes, I am willing to serve a two-year term as a member of this RAB.

By submitting this signed application, you willingly agree to work cooperatively with other members of the RAB to address community issues related to environmental restoration of the facility.

Privacy Act Statement: The personal information requested on this form is being collected to determine interest and qualification for RAB membership. The information will be retained on file at the NAVFAC office. The information will not be disseminated. Providing information on this form is voluntary.

Applicant Signature

Date

Please return your completed application to:

Mr. Grady Gordon
Environmental Project Manager
NAVFAC Southwest
1220 Pacific Highway
San Diego, CA 92132
Cell: 619.708.0396
Desk: 619.532.2296
grady.gordon@navy.mil

Notice of Completion/Availability and Executive Summary for the
Draft EIR for the Brickwalk, LLC Mixed-Use Residential Project

LSA

LSA ASSOCIATES, INC.
20 EXECUTIVE PARK, SUITE 200
IRVINE, CALIFORNIA 92614

949.553.0666 TEL
949.553.8076 FAX

BERKELEY
CARLSBAD
FORT COLLINS

FRESNO
PALM SPRINGS
POINT RICHMOND

RIVERSIDE
ROCKLIN
SAN LUIS OBISPO
S. SAN FRANCISCO

RECEIVED

JUN 21 2012

TRANSMITTAL

**COMMUNITY DEVELOPMENT
DEPARTMENT**

TO: Planning Director
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275

PROJECT: 655 Deep Valley Drive
PROJECT NUMBER: RHT0603

DATE: June 20, 2012

FOR YOUR REVIEW FOR YOUR FILES

AT YOUR REQUEST FOR YOUR INFORMATION

FOR YOUR APPROVAL DISTRIBUTION

SUBJECT: 655-683 Deep Valley Drive and 924-950 Indian Peak Road Mixed Use Residential Project

ITEMS BELOW ARE TRANSMITTED: HEREWITH UNDER SEPARATE COVER VIA:

<u>DATE</u>	<u>COPIES</u>	<u>DESCRIPTION</u>
6/20/12	1	Draft Environmental Impact Report 655-683 Deep Valley
		Drive and 924-950 Indian Peak Road Mixed Use Residential
		Project

GENERAL REMARKS:

On behalf of the City of Rolling Hills Estates, LSA Associates, Inc., (LSA) is transmitting one copy of the Draft Environmental Impact Report for the Proposed 655-683 Deep Valley Drive and 924-950 Indian Peak Road Mixed Use Residential Project. If you have any questions please do not hesitate to contact me at (949) 553-0666.

Sincerely,
Erin Razban
Senior Environmental Planner

COPIES Niki Cutler (RHE); Project File (LSA)
TO:
BY: Erin Razban



CITY OF ROLLING HILLS ESTATES
PLANNING DEPARTMENT
4045 Palos Verdes Drive North
Rolling Hills Estates, CA 90274
Telephone-(310) 377-1577
Fax-(310) 377-4468
www.ci.rolling-hills-estates.ca.us

**NOTICE OF COMPLETION/AVAILABILITY OF
DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR)**

The City of Rolling Hills Estates (City) hereby gives notice that pursuant to the authority and criteria contained in the California Environmental Quality Act (CEQA) and the CEQA Guidelines of the City, it has prepared a Draft Environmental Impact Report (DEIR). The purpose of this Notice is to inform local residents, public agencies, institutions, and other interested parties about the availability of this DEIR for public review.

PROJECT TITLE: DEIR for Planning Application No. 01-07 (655-683 Deep Valley Drive and 924-950 Indian Peak Road Mixed-Use Residential Project)

PROJECT LOCATION: The proposed 655-683 Deep Valley Drive and 924-950 Indian Peak Road Mixed-Use Residential Project is located in the southwestern portion of the City and within the City's main commercial area (Peninsula Center). The site is bounded by Deep Valley Drive to the north, Crenshaw Boulevard and Indian Peak Road to the south, the property at 627 Deep Valley Drive to the west, and the property at 827 Deep Valley Drive to the east. The project site is an irregular shape and is comprised of 10.42 acres (ac) of hillside area, including office buildings, commercial area, surface parking lots, landscaping, and an active landslide.

PROJECT DESCRIPTION: The proposed project would demolish the existing office buildings at 655 Deep Valley Drive, 924 and 950 Indian Peak Road, surface parking lots, and landscaping. Construction of the proposed project would stabilize the existing landslide and include 148 residential units, approximately 14,200 square feet (sf) of commercial area fronting Deep Valley Drive, and associated parking. In addition, the project would remove 2,013 sf of commercial space and add 63 off-street parking spaces, for a total of 137 parking spaces at the Brick Walk commercial development. The Brick Walk commercial development would be enhanced through exterior façade improvements, including, but not limited to, new paint and replacement of awnings.

The project requires approval of: 1) Vesting Tentative Tract Map No. 67553; 2) A Conditional Use Permit (CUP) for a mixed-use development; 3) a Precise Plan of Design (PPD) for buildings and structures; 4) A Variance to exceed the maximum permitted building height; 5) a Variance to permit a smaller setback than required by Code; and 6) a Variance to permit fewer parking spaces than required by Code/shared parking agreement.

REVIEW PERIOD: This DEIR is being circulated by the City of Rolling Hills Estates, the Lead Agency, for a 47-day review period. The public review period starts on Thursday, June 21, 2012, and closes on Monday, August 6, 2012. Due to the time limits mandated by State Law, your comments must be sent at the earliest date, but not later than 5:30 p.m. on Monday, August 6, 2012.

Please send your written comments by mail to Ms. Niki Cutler, AICP, Principal Planner, at the City of Rolling Hills Estates, 4045 Palos Verdes Drive North, Rolling Hills Estates, CA 90274; by e-mail to: nikic@ci.rolling-hills-estates.ca.us; or fax them to (310) 377-4468. Questions regarding the DEIR should be directed to Ms. Cutler at (310) 377-1577, extension 115.

HEARING: A public hearing for this item will be held before the Planning Commission in the Rolling Hills Estates City Council Chambers (4045 Palos Verdes Drive North, Rolling Hills Estates) on **Tuesday, September 4, 2012**, beginning at **7:00 p.m.**

WHERE COPIES ARE AVAILABLE FOR REVIEW: Copies of the DEIR are available for review at the City of Rolling Hills Estates Planning Department, located at 4045 Palos Verdes Drive North, Rolling Hills Estates; and the Peninsula Center Library, located at 701 Silver Spur Road, Rolling Hills Estates. Information will also be posted on the City of Rolling Hills Estates website at: <http://www.ci.rolling-hills-estates.ca.us>.

(This notice is being circulated per Sections 21083, 21092, 21152, and 21153 of the Public Resources Code.)

1.0 EXECUTIVE SUMMARY

1.1 INTRODUCTION

This Executive Summary has been prepared according to the California Environmental Quality Act (CEQA) Guidelines Section 15123 for the City of Rolling Hills Estates (City) Environmental Impact Report (EIR) for the proposed 655–683 Deep Valley Drive and 924–950 Indian Peak Road Mixed-Use Residential Project. This EIR has been prepared by the City of Rolling Hills Estates to analyze the proposed project's potential impacts on the environment; to discuss alternatives; and to propose mitigation measures for identified potentially significant impacts that will minimize, offset, or otherwise reduce or avoid those environmental impacts.

1.2 SUMMARY OF PROJECT DESCRIPTION

The project site is located in the southwestern portion of the City of Rolling Hills Estates (City) and within the City's main commercial area (Peninsula Center). The site is bounded by Deep Valley Drive to the north, Crenshaw Boulevard and Indian Peak to the south, the property at 627 Deep Valley Drive to the west, and the property at 827 Deep Valley Drive to the east. The project site is an irregular shape and is comprised of 10.42 acres (ac) of hillside area, including office buildings, commercial area, surface parking lots, landscaping, and an active landslide. The project site includes the Brick Walk commercial site located along the northwestern portion of the site at 701–815 Deep Valley Drive, the portion located at 655–683 Deep Valley Drive, and the portion located at 924–950 Indian Peak Road. The project applicant proposes to subdivide the existing 10.42 ac property into two parcels: an 8.05 ac lot (Lot 1) and a 2.37 ac lot (Lot 2). Developments on each lot are described below.

1.2.1 Lot 1 Mixed-Use Podium and Townhomes

The project applicant proposes construction of a mixed-use development within Lot 1. The proposed project would demolish the existing office buildings at 655 Deep Valley Drive, 944 and 950 Indian Peak Road, surface parking lots, and landscaping. Construction of the proposed project would stabilize the existing landslide and include 148 residential units, approximately 14,200 square feet (sf) of commercial area fronting Deep Valley Drive, and associated parking on the 8.05 ac (Lot 1) property. Construction of the proposed project on the 8.05 ac lot includes two building areas: a separate podium building (Mixed-Use or Pad A) and a series of townhome units (Townhomes or Pad B).

1.2.2 Lot 2 Brick Walk

Included within the project site is the Brick Walk development (2.37 ac). The Brick Walk development includes an existing 23,187 sf of retail, commercial/office and restaurant space, and 78 existing parking spaces. The proposed project would remove 2,013 sf of commercial space and

add 63 off-street surface parking spaces, for a total of 137 parking spaces, which would be shared for all uses.¹ Additionally, the Brick Walk commercial buildings would be enhanced through exterior facade improvements, including but not limited to new paint and replacement of awnings.

1.3 ALTERNATIVES

The following alternatives to the proposed project were selected for consideration, including the No Project Alternative and alternative development scenarios:

- Alternative 1: No Project/No Build Alternative
- Alternative 2: Commercial Land Use Alternative
- Alternative 3: Reduced Project Alternative

The No Project/No Build Alternative is environmentally superior to the proposed project because there are no physical impacts that would result from implementation of this alternative. If there were no changes to the existing conditions on site, there would be no increase in traffic, noise, construction, or operational air emissions. The CEQA Guidelines require that if the environmentally superior alternative is the No Project Alternative, “the EIR also identify an environmentally superior alternative among the other alternatives” (CEQA Guidelines Section 15126.6[e][2]).

The significant unavoidable construction noise impact associated with the proposed project would be reduced, but not eliminated, by Alternative 2 since this alternative would not include demolition of the existing office buildings on the western portion of the project site. Alternative 2 would have the same significant unavoidable construction noise impact as the proposed project if 827 Deep Valley Drive is occupied at the time of construction. Short-term noise impacts as a result of demolition and grading would not vary substantially under Alternative 3.

Alternative 3 is neutral or lessens impacts when compared to the project, while Alternative 2 creates greater impacts related to air quality, noise, and transportation/circulation. Therefore, it is determined that Alternative 3, the Reduced Project Alternative, is the environmentally superior alternative.

The alternatives analysis is described in greater detail in Chapter 5.0, Alternatives.

1.4 AREAS OF CONTROVERSY

Pursuant to Section 15123 of the State CEQA Guidelines, an EIR shall identify areas of controversy known to the Lead Agency, including issues raised by agencies and the public. Comments on the Notice of Preparation (NOP) from agencies and the public were received by the lead agency and are located in Appendix A of this EIR. Concerns raised by agencies and the public include the following. Each of these issues is addressed in Section 4.0 of this EIR.

¹ Linscott Law & Greenspan, Revised Traffic Impact Analysis and Parking Study, June 24, 2010.

- Increase in density
- Increase in traffic, noise, and air pollution
- Adequacies of public services
- Slope stability
- Aesthetics

1.5 SIGNIFICANT UNAVOIDABLE ADVERSE IMPACTS

The proposed project will result in significant unavoidable adverse impacts related to noise. Chapter 8.0 provides a detailed summary of the impacts that are considered significant and unavoidable after all mitigation is applied. These impacts are also described in detail in Chapter 4.0, Existing Environmental Setting, Environmental Analysis, and Impacts and Mitigation Measures. A brief description of the significant unavoidable impact is provided below.

1.5.1 Noise

Short-Term Noise. If either the approved multifamily residences located at 627 Deep Valley Drive adjacent to the project to the west, or the approved multifamily residences at 827 Deep Valley Drive adjacent to the project to the east are occupied during construction of this project, some residences will be 50 ft from the project site and could be exposed to construction noise in exceedance of the City's noise criteria. Implementation of mitigation would reduce the noise levels by a minimum of 8 dBA. However, even with mitigation, the noise levels would not be reduced to below the City's noise criteria.

1.6 SUMMARY OF IMPACTS AND MITIGATION MEASURES

Table 1.A identifies the project environmental impacts, proposed mitigation measures, and level of significance after mitigation is incorporated into the project. The table also identifies cumulative impacts resulting from maximum build out of the proposed project in conjunction with the approved and pending cumulative projects. Environmental topics addressed in this EIR include: Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Environmental Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Population and Housing, Public Services and Utilities, Recreation, and Transportation and Circulation.

Refer to Section 2.4 of this EIR for a discussion of additional effects found not to be significant through preliminary analysis and the scoping process.

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
4.1: AESTHETICS		
Lighting along Crenshaw Boulevard	4.1-1 Prior to issuance of a certificate of occupancy, the applicant will provide proof to the City of Rolling Hills Estates (City) Planning Director that all exterior lighting located adjacent to Crenshaw Boulevard is limited to security and safety systems and light sources are screened and directed away from Crenshaw Boulevard with the lowest possible intensity.	Less than significant
Signage along Crenshaw Boulevard	4.1-2 Prior to issuance of a building permit, the applicant will provide proof to the City of Rolling Hills Estates (City) Planning Director that any project-related signage along the Scenic Corridor of Crenshaw Boulevard would preserve the view corridor and complement the project design.	Less than significant
Landscaping adjacent to Crenshaw Boulevard	4.1-3 Prior to issuance of an occupancy permit, the applicant will provide proof to the City of Rolling Hills Estates (City) Planning Director that all landscaping located adjacent to Crenshaw Boulevard avoids the blocking of scenic corridor views.	Less than significant
4.2: AIR QUALITY		
Impacts to sensitive receptors in the project vicinity associated with diesel-powered construction equipment	4.2-1 Prior to issuance of a grading permit, the applicant shall provide grading plans with text demonstrating that all diesel-powered construction equipment over 50 horsepower (hp) shall conform to the United States Environmental Protection Agency (EPA) Tier 2 emissions levels or better.	Less than significant
4.3: BIOLOGICAL RESOURCES		
Impacts to migratory birds	4.3-1 Prior to approval of demolition permits, the Planning Director shall ensure that a qualified biologist, in consultation with the City of Rolling Hills Estates, shall conduct preconstruction clearance surveys for active bird nesting prior to any clearing of vegetation or tree removal. The location of any active migratory bird nests will be mapped by the biologist and reported immediately to the project construction manager and the Planning Director. If protected migratory birds are present, vegetation clearing and tree removal shall be restricted to outside the likely active breeding season (March 1 to August 31) for migratory bird species potentially occurring on site. If it becomes necessary to clear vegetation during the active	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
	breeding season (March 1 to August 31), all construction activities in proximity to active nests will be delayed or otherwise modified as determined necessary by the biologist to prevent nest failure caused by demolition or construction activities.	Less than significant
4.4: CULTURAL AND PALEONTOLOGICAL RESOURCES		
Impacts to unknown subsurface archaeological resources resulting from construction earth-moving activities	4.4-1	<p>Prior to issuance of a grading permit, the City Engineer shall verify that the applicant has contracted with a certified archaeologist to monitor ground-disturbing construction activities where buried natural and undisturbed sediments exist. Should any archaeological resources be identified during the grading, trenching, or excavation, the certified archaeologist shall (1) ascertain the significance of the resource; (2) establish protocol with the City to protect such resources; (3) ascertain the presence of additional resources; and (4) provide additional monitoring of the site, if deemed appropriate.</p> <p>Upon completion of the project grading, the qualified archaeologist shall submit a follow-up report to the City Planning Department. This report shall provide adequate documentation of any resources found within the project area and shall follow guidelines presented in the Office of Historic Preservation "Archaeological Resource Management Report (ARMR): Recommended Contents and Format" Preservation Planning Bulletin.</p> <p>If human remains are encountered during construction of the project, the contractor shall notify the County Coroner of the find immediately. State Health and Safety Code Section 7050.5 requires that no further disturbance shall occur until the County Coroner has made a determination of origin and disposition pursuant to Public Resources Code Section 5097.98. If the remains are determined to be Native American, the Coroner is required to notify the Native American Heritage Commission (NAHC), which will determine and notify a Most Likely Descendant (MLD). With the permission of the owner of the land or his/her authorized representative, the MLD may inspect the site of the discovery. The MLD shall complete the inspection within 48 hours of being granted access to the site. The MLD may recommend scientific removal and nondestructive analysis</p>

Table 1A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Impacts to paleontological resources during excavation activities	<p>4.4-3</p> <p>Prior to issuance of a grading permit, the City Engineer shall review and approve a Paleontological Resources Impact Mitigation Program (PRIMP). The PRIMP shall be prepared and implemented to mitigate potential impacts to paleontological resources that may be present on the surface and to depth within the Monterey Formation or at depths below 10 ft within alluvial or colluvial sediments. The PRIMP shall contain the following components:</p>	<p>Less than significant</p> <ul style="list-style-type: none"> Attendance at the pregrade conference by a qualified paleontologist or his/her representative. Monitoring of ground-disturbing excavation activities by^f a qualified paleontological monitor in areas identified as likely to contain paleontological resources. The monitor should be equipped to salvage fossils and/or matrix samples as they are unearthed in order to avoid construction delays. The monitor must be empowered to temporarily halt or divert equipment in the area of the find in order to allow removal of abundant or large specimens. Because the underlying sediments may contain abundant fossil remains that can only be recovered by a screening and picking matrix, it is recommended that these sediments occasionally be spot-screened through one-eighth-inch to one-twentieth-inch mesh screens to determine whether microfossils exist. If microfossils are encountered, additional sediment samples (up to 6,000 pounds) shall be collected and processed through one-twentieth-inch mesh screens to recover additional fossils. Preparation of any recovered specimens shall be conducted to the point of identification and permanent preservation. This includes the washing and picking of mass samples to recover small invertebrate and vertebrate fossils and the removal of surplus sediment from around larger specimens to reduce the

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
4.5: GEOLOGY AND SOILS Site-specific final geotechnical review and evaluation and grading plan review	<ul style="list-style-type: none"> Curation of specimens into a museum repository with permanent retrievable storage. <p>A report of findings with an appended itemized inventory of specimens shall be prepared after the completion of grading. When submitted to the City of Rolling Hills Estates, the report and inventory will signify completion of the program to mitigate impacts to paleontological resources for the project.</p>	Less than significant
Earthquake-resistant design incorporated into final site plan	4.5-1	<p>Prior to issuance of any grading permits for the project, site-specific final geotechnical review and evaluation and grading plan review shall be conducted by the project geotechnical consultant prior to the start of grading and submitted to the City Engineer for review/approval. The report shall verify that recommendations developed during the geotechnical design process are appropriately incorporated into the project plan. Design and grading construction shall be undertaken in accordance with the requirements of the California Building Code applicable at the time of grading, appropriate local grading regulations, and the recommendations of the project geotechnical consultant as summarized in the final report. Construction and design of the proposed project shall comply with the recommended measures listed in Sections 6.0 through 9.0 in the geotechnical review Report (Pacific Soils Engineering, Inc., April 27, 2007).</p>
	4.5-2	<p>Prior to the issuance of building permits, the City of Rolling Hills Estates Building Official (or designee) and the City of Rolling Hills Estates Engineer (or designee) shall review and approve final design plans to ensure that earthquake-resistant design has been incorporated into final site drawings in accordance with the most current California Building Code and the recommended seismic design parameters of the Structural Engineers Association of California for the proposed project. Ultimate site seismic design acceleration shall be determined by the project structural engineer during the project</p>

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Landslide-resistant design incorporated into final site plan	4.5-3 Prior to the issuance of grading permits, the City of Rolling Hills Estates Building Official (or designee) and the City of Rolling Hills Estates Engineer (or designee) shall review and approve final design plans to ensure that landslide-resistant design has been incorporated into final site drawings in accordance with the most current California Building Code, current Grading Ordinance of the City of Rolling Hills Estates, and the Earthwork Specifications presented in the Final geotechnical review prepared for the proposed project.	Less than significant
Observation and testing of the project soils	4.5-4 Prior to the issuance of grading permits, the City of Rolling Hills Estates Building Official (or designee) and the City of Rolling Hills Estates Engineer (or designee) shall ensure that all grading shall be accomplished under the observation and testing of the project soils engineer and engineering geologist or their authorized representative in accordance with the current Grading Ordinance of the City of Rolling Hills Estates and the Earthworks specifications provided in the Final geotechnical review. After approval of site clearing and prior to fill placement, all existing artificial fill, soil, landslide debris, terrace deposits, weathered bedrock and compressible near surface colluvium shall be removed across the site. The exact extent of the removals must be determined in the field during grading, when observation and evaluation can be performed by the soils engineer and/or engineering geologist. The bottoms of all removal areas shall be observed and approved by the engineering geologist/soils engineer or an authorized representative prior to the fill placement.	Less than significant
Impact to fill slopes steeper than 2:1	4.5-5 Prior to the issuance of grading permits, the City of Rolling Hills Estates Building Official (or designee) and the City of Rolling Hills Estates Engineer (or designee) shall review final construction plans to ensure that fill slopes steeper than 2:1 are constructed utilizing a geosynthetic reinforcement material as an additional aid to promote surficial stability.	Less than significant
Impacts related to slope stability	4.5-6 Prior to the issuance of grading permits, the City of Rolling Hills Estates Building Official (or designee) and the City of Rolling Hills Estates Engineer (or designee) shall ensure that shoring walls, both with and without tie-back anchors, be required within the proposed	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Impacts resulting from irrigation and maintenance	<p>4.5-7</p> <p>Prior to the issuance of an occupancy permit, the applicant shall provide to the City of Rolling Hills Estates Public Works Department Director (or designee) evidence that prior to operation, proper planting, irrigation and maintenance shall be continually performed on all completed, graded slopes in an effort to maintain surficial stability.</p>	Less than significant
4.6: HAZARDS AND HAZARDOUS MATERIALS		
Impacts related to wildfire risk	<p>4.6-1</p> <p>Prior to the issuance of the grading or building permit, the project applicant shall submit site design and landscape plans with respect to the potential for wildfire risk to the City of Rolling Hills Estates (City) Planning Department and County of Los Angeles (County) Fire Department for review and approval. In addition, the application shall provide an evaluation of wildfire risk by a knowledgeable professional to determine the nature and extent of risk for review of the Fire Department. Evidence of any additional required mitigation by the applicant shall be submitted to the County Fire Department for review and approval.</p>	Less than significant
Impacts to human health resulting from asbestos, lead-based paint, polychlorinated biphenyls, and other common hazardous building materials	<p>4.6-2</p> <p>Prior to the issuance of the demolition permit, the project applicant shall provide the Building Official with evidence that all structures not previously surveyed as part of the Phase I Environmental Site Assessment (ESA) (Levine-Fricke 2006) shall be surveyed for asbestos, lead-based paint (LBP), polychlorinated biphenyls (PCBs), and other common hazardous building materials prior to demolition activities by qualified environmental professionals. The project applicant shall comply with all applicable local, State, and federally mandated handling, removal, and disposal requirements for hazardous building materials found at the site, including but not limited to, soil, surface water, groundwater contamination, LBP, and PCBs. The project applicant shall submit documentation to the Planning Director for review and approval. If any suspect hazardous building materials are found during demolition, work shall cease until the material has been sampled. All building materials shall be</p>	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Impacts to human health resulting from asbestos-containing materials, mold, and polychlorinated biphenyls found in building material	4.6-3	handled and disposed of in accordance with applicable local, State, and federally mandated requirements.
Impacts to human health from asbestos-containing materials found in building materials	4.6-4	Prior to issuance of a demolition permit, the project applicant shall provide the demolition plans and specifications to the Building Official for review and approval. The plans and specification shall include provisions noting areas of known presence of asbestos-containing materials (ACMs), mold, and polychlorinated biphenyls (PCBs), as well as general provisions related to the potential presence of ACMs, mold, and PCBs. Removal of these materials shall be conducted pursuant to Occupational Safety and Health Administration (OSHA) standards.
Impacts to human health resulting from radon	4.6-5	At least 10 working day days prior to the demolition of any building containing asbestos-containing materials (ACMs), the project applicant shall submit notification, typewritten on the South Coast Air Quality Management District (SCAQMD) District-approved forms, to the Air Quality Management District (AQMD) (AQMD Rule 1403). Evidence of approval by the AQMD shall be provided to the Building Official.
Impacts to human health resulting from unknown substances or potentially hazardous materials	4.6-6	Prior to the issuance of a grading permit, the project applicant shall provide a radon monitoring plan and evidence that the building design includes radon-resistant features to ensure that radon gas does not accumulate in subsurface structures to the Building Official for review and approval. At a minimum, radon levels shall be measured in all subsurface structures by a California-certified radon tester once prior to issuance of certificate of occupancy and once after occupancy to confirm that radon levels do not exceed the United States Environmental Protection Agency (EPA) action level of 4.0 picoCurries/liter (pCi/l). Results of testing prior to certification of occupancy shall be provided to the Building Official for approval prior to issuance of certification of occupancy.
		During construction activities, the project applicant shall immediately notify the Building Official and the Los Angeles County Fire Department (LACFD), Health Hazardous Materials Division, Division Chief, if any unknown substances or potentially hazardous materials are encountered. The County of Los Angeles (County)

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
4.7: HYDROLOGY AND WATER QUALITY Impacts to water quality during construction	4.7-1 Health Hazardous Materials Division Chief shall determine the appropriate procedures for handling and disposal of the materials in accordance with local, State, and federal regulations.	Less than significant
	4.7-1 Prior to issuance of a grading permit for project, the City Building Official shall ensure that construction plans for the project include features meeting the applicable construction activity best management practices (BMPs) and erosion and sediment control BMPs published in the <i>California Stormwater BMP Handbook—Construction Activity</i> or equivalent. The construction contractor shall submit a Storm Water Pollution Prevention Plan (SWPPP) to the City Building Official that includes the BMP types listed in the handbook that are appropriate to the proposed project. The SWPPP shall be prepared by a registered civil engineer. The SWPPP shall reduce the discharge of pollutants to the maximum extent practicable using BMPs, control techniques and systems, design and engineering methods, and such other provisions as appropriate. A copy of the SWPPP shall be kept at the project site.	Less than significant
	4.7-2 The construction contractor shall provide a copy of the Notice of Intent (NOI) submitted to the State Water Resources Control Board (SWRCB) and a copy of the subsequent notification of the issuance of a Waste Discharge Identification (WDID) number to the City Building Official.	Less than significant
	4.7-2 Prior to issuance of a building permit for construction of the project, the project applicant shall provide the City Building Official with a final project-level Standard Urban Storm Water Management Plan (SUSMP) that meets the requirements of the <i>Los Angeles County Standard Urban Storm Water Mitigation Plan</i> for review and approval. The final project-level SUSMP shall identify all of the Source Control and Treatment BMPs that shall be implemented as part of the project in order to reduce impacts to water quality to the maximum extent practicable by addressing typical land use pollutants and pollutants that have impaired the Machado Lake Watershed.	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Impacts to water quality during construction	4.7-3 Prior to issuance of a building permit for construction of the project, the project applicant shall provide the City Building Official with a BMP maintenance plan, consistent with the requirements of the <i>Los Angeles County Standard Urban Storm Water Mitigation Plan</i> , for review and approval. This plan shall include a statement from the applicant accepting responsibility for all Source Control and Treatment Control BMP maintenance until the time the property is transferred. All future transfers of the property to a private or public owner shall have conditions requiring the recipient to assume responsibility for the maintenance of any structural or Treatment Control BMP. The condition of transfer shall include a provision requiring the property owner to conduct a maintenance inspection at least once a year and retain proof of inspection. In addition, educational materials indicating locations of storm water facilities and how maintenance can be performed shall accompany first deed transfers.	Less than significant
Impacts to water quality resulting from operation of the project	4.7-4 Prior to issuance of a building permit for construction of the project, the project applicant shall submit a final drainage plan to the City Building Official for review and approval. The drainage plan shall include any on-site structures and/or modifications of existing drainage facilities necessary to accommodate increased runoff resulting from the proposed project and shall indicate project contributions to the regional storm water drainage system. The drainage plan shall show all structural BMPs consistent with the project storm water management plan.	Less than significant
4.8: LAND USE No potentially significant impacts related to land use have been identified.	No potentially significant impacts related to land use have been identified, and no mitigation is required.	N/A
4.9: NOISE Construction noise	4.9-1 Prior to issuance of any construction or grading permit, the applicant shall provide the City of Rolling Hills Estates (City) Planning Director building and grading plans stating the following: <ul style="list-style-type: none">• Construction shall be limited to the hours of 7:00 a.m. to 5:00 p.m. Monday through Friday and 9:00 a.m. to 5:00 p.m. on	Unavoidable adverse impact

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Construction noise	<p>Saturdays. In accordance with City standards, no construction activities are permitted outside of these hours, and no construction is permitted on Sundays or federal holidays.</p> <ul style="list-style-type: none"> During all project site excavation and grading on site, the project contractors shall equip all construction equipment, fixed or mobile, with properly operating and maintained mufflers consistent with manufacturers' standards. The project contractor shall place all stationary construction equipment so that emitted noise is directed away from sensitive receptors located within 100 feet (ft) of the project site. <p>The construction contractor shall locate equipment staging in areas that will create the greatest distance between construction-related noise sources and noise-sensitive receptors nearest the project site during all project construction</p>	Less than significant
4.9-2	<p>Prior to issuance of any construction or grading permit, the applicant shall provide the City of Rolling Hills Estates (City) Building Official with construction plans for temporary construction noise barriers with a minimum height of 6 feet (ft) to be installed on the project site along Indian Peak Road and Crenshaw Boulevard.</p>	Unavoidable adverse impact
Construction noise	<p>Prior to issuance of any construction or grading permit, if the approved multifamily residences at 627 Deep Valley Drive are occupied during project construction, the applicant shall provide the City of Rolling Hills Estates (City) Building Official with construction plans for temporary construction noise barriers with a minimum height of 6 feet (ft) to be installed on the project site along the site's west boundary.</p>	Unavoidable adverse impact
4.9-3	<p>Prior to issuance of any construction or grading permit, if the approved multifamily residences at 827 Deep Valley Drive are occupied during project construction, the applicant shall provide the City of Rolling Hills Estates (City) Building Official with construction plans for temporary construction noise barriers with a minimum height of 6 feet (ft) to be installed on the project site along the site's east boundary.</p>	Unavoidable adverse impact
4.9-4		

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Operation noise	4.9-5 Prior to issuance of a building permit, the applicant shall provide construction plans to the City of Rolling Hills Estates (City) Building Director demonstrating that noise barriers with a minimum effective height of 5 feet (ft) would be constructed on the perimeter of the balconies/decks within 100 ft of Crenshaw Boulevard. Balconies on the side of the residential structures that will be facing away from the roadway traffic (i.e., shielded by the structure itself) do not require sound walls. Additionally, frontline dwellings with outdoor active use areas (such as a balcony or patio) that are exposed directly to traffic on Crenshaw Boulevard shall be protected by a 5 ft high barrier surrounding the active use areas. The noise barriers can be constructed with earthen berm, concrete/masonry units (CMU), Plexiglas, or a combination of these materials. Frontline dwelling units within 100 ft of Crenshaw Boulevard are also required to be equipped with an air conditioning system in order for windows and doors to remain closed.	Less than significant
Operation noise	4.9-6 Prior to issuance of a building permit, the applicant shall provide construction plans to the City of Rolling Hills Estates (City) Building Director demonstrating that frontline dwelling units within 100 feet (ft) of Crenshaw Boulevard will be equipped with an air-conditioning system.	Less than significant
Delivery operations noise	4.9-7 Prior to issuance of an occupancy permit, the applicant shall provide to the City of Rolling Hills Estates (City) Planning Director evidence that delivery operations on the project site will be limited to the hours of 7:00 a.m. and 7:00 p.m.	Less than significant
Operation noise	4.9-8 Prior to issuance of a building permit, the applicant shall provide construction plans to the City of Rolling Hills Estates (City) Building Director demonstrating that heating, ventilation, and air-conditioning (HVAC) units on the Pad A structure rooftop shall have additional noise shielding, sufficient to result in a total noise reduction of 12 A-weighted decibels (dBA).	Less than significant
4.10: POPULATION AND HOUSING	No potentially significant impacts related to population and housing have been identified.	There are no potentially significant impacts relating to Population and Housing, and no mitigation measures are necessary.
		N/A

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
4.11: PUBLIC SERVICES AND UTILITIES		
Security impacts during construction	4.11-1 Prior to issuance of grading or building permits, the Applicant shall provide a Construction Site Security Plan to ensure that adequate security measures are provided to limit the potential for theft, vandalism, or other criminal activities during construction. The Plan shall be submitted for approval by the Planning Director. The Security Plan shall include, but is not limited to, appropriate fencing, safety lighting, on-site security, alarm system, and locking mechanisms for equipment and storage units.	Less than significant
Sewer capacity impacts during operation	4.11-2 Prior to the issuance of any building permit, the Applicant shall consult with the County Sanitation Districts of Los Angeles County (Sanitation Districts) to confirm that available trunk sewer capacity exists to serve the project. If developer fees are necessary, the developer will submit payment to the Sanitation Districts. Evidence of the sewer capacity analysis and payment of appropriate fees shall be provided to the Building Official for review.	Less than significant
4.12: RECREATION AND OPEN SPACE		
Dedication of parkland fees	4.12-1 Prior to issuance of a building permit, the Planning Director shall review the project site plan and require land dedication or the appropriate in-lieu-of fees for parkland required by Section 16.08 and/or Chapter 17.74 of the Municipal Code.	Less than significant
4.13: TRANSPORTATION AND CIRCULATION		
Construction traffic safety	4.13-1 Construction Traffic Management Plan. Prior to the issuance of a grading permit, the applicant shall provide a Construction Traffic Management Plan (CTMP). The City Traffic Engineer shall review the plan for consistency with the City's Municipal Code and shall approve the plan. The Construction CTMP shall address the following: <ul style="list-style-type: none"> Traffic control for any street closure, detour, or other disruption to traffic circulation. Identify the routes that construction vehicles will utilize for the delivery of construction materials (i.e., lumber, tiles, piping, windows) to access the site, traffic controls and detours, and proposed construction phasing plan for the project. 	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
	<ul style="list-style-type: none"> • Identify parking needs and parking areas for construction-related equipment and workman support. • Specify the hours during which transport activities can occur and methods to mitigate construction-related impacts to adjacent streets. • Require the applicant to keep all haul routes clean and free of debris, including but not limited to gravel and dirt, as a result of its operations. The applicant shall clean adjacent streets, as directed by the City Engineer (or representative of the City Engineer) of any material which may have been spilled, tracked, or blown onto adjacent streets or areas. • Hauling or transport of oversize loads will be allowed between the hours of 9:00 a.m. and 3:00 p.m. only, Monday through Friday, unless approved otherwise by the City Engineer. No hauling or transport will be allowed during nighttime hours, weekends, or federal holidays. • Haul trucks entering or exiting public streets shall at all times yield to public traffic. • If hauling operations cause any damage to existing pavement, street, curb, and/or gutter along the haul route, the applicant will be fully responsible for repairs. The repairs shall be completed to the satisfaction of the City Engineer. • All constructed-related parking and staging of vehicles will be kept out of the adjacent public roadways and will occur on site. • This plan shall meet standards established in the current <i>California Manual on Uniform Traffic Control Device (MUTCD)</i> as well as the City of Rolling Hills Estates requirements. 	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Level of service impacts at Hawthorne Boulevard and Palos Verdes Drive North	<p>the following modifications and provide evidence to the City's Traffic Engineer and Public Works Director that the northbound approach of Deep Valley Drive has been restriped within existing street width to provide a separate northbound left-turn lane and a northbound right-turn lane, with associated signing modifications and appropriate pavement legends.</p> <p>4.13-3 Hawthorne Boulevard at Palos Verdes Drive North. Prior to issuance of a grading permit, the applicant shall design, construct, and complete and provide evidence to the City's Traffic Engineer and Public Works Director that the eastbound approach of Palos Verdes Drive North has been restriped to provide a dual left-turn lane, a through lane, and a shared through right-turn lane within existing street width and maintain existing split-phase operation on Palos Verdes Drive North within appropriate signing and striping modifications. In addition, depending on the construction schedule, the applicant could pay in-lieu fees.</p>	Less than significant
Level of service impacts at Hawthorne Boulevard at Palos Verdes Drive North	<p>4.13-4 Hawthorne Boulevard at Palos Verdes Drive North. Prior to issuance of an occupancy permit, the applicant shall provide evidence to the City's Traffic Engineer and Public Works Director that the eastbound approach of Palos Verdes Drive North has been widened and restriped to provide dual left-turn lanes, one through lane, and a shared right-turn lane with associated traffic signal, striping, and any modifications and eliminate split-phase operation on Palos Verdes Drive North with the appropriate signing and striping modifications. The applicant shall pay an in-lieu fee based on actual costs (or approved engineer's estimate), whichever is less, for engineering design, permitting, construction, and inspection required to complete this mitigation, payable to the City of Rolling Hills Estates as satisfaction for the completion of this mitigation measure. The City shall be responsible to construct said required measures or equivalent alternative. All costs for the engineer's estimate will be payable by the applicant.</p>	Less than significant
Level of service impacts at Hawthorne Boulevard at Silver Spur Road	<p>4.13-5 Hawthorne Boulevard at Silver Spur Road. Prior to issuance of an occupancy permit, the applicant shall design, construct, complete, and provide evidence to the City's Traffic Engineer and Public</p>	Less than significant

Table 1.A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
	<p>Works Director that the northbound approach and departure on Hawthorne Boulevard will be restriped to provide dual left-turn lanes, one through lane, and a shared through right-turn lane. Restriping the southbound approach and departure on Hawthorne Boulevard to provide a second left-turn lane will be required, as well as restriping the westbound approach on Silver Spur to provide a second left-turn lane. Removal of medians shall be required, as necessary, to minimize the need to widen. The signal shall be modified, with appropriate signing and striping modifications. Any modifications within the City of Rancho Palos Verdes will require Rancho Palos Verdes approval and permits.</p>	Less than significant
Cumulative level of service impacts at Drybank Drive and Silver Spur Road	<p>4.13-6</p> <p>Drybank Drive at Silver Spur Road. Prior to issuance of an occupancy permit, the applicant shall design, construct, complete, and provide evidence to the City's Traffic Engineer and Public Works Director that the eastbound approach on Silver Spur Road shall be restriped to provide an exclusive right-turn lane as well as signal modifications and appropriate signing and striping modifications.</p>	Less than significant
Cumulative level of service impacts at Roxcove Drive at Silver Spur Road	<p>4.13-7</p> <p>Roxcove Drive at Silver Spur Road. Prior to issuance of an occupancy permit, the applicant shall design, construct, complete, and provide evidence to the City's Traffic Engineer and Public Works Director that restriping of the northbound approach of Roxcove Drive provides a separate northbound left-turn lane, and a northbound right-turn lane with associated signing modifications and appropriate pavement legends have been installed.</p>	Less than significant
Cumulative level of service impacts at Deep Valley Drive and Silver Spur Road	<p>4.13-8</p> <p>Deep Valley Drive at Silver Spur Road. Prior to issuance of an occupancy permit, the applicant shall design, construct, complete, and provide evidence to the City's Traffic Engineer and Public Works Director that restriping of the northbound approach of Deep Valley Drive provides a separate northbound left-turn lane and a northbound right-turn lane. Installation of a traffic signal and associated signing modifications and pavement legends or at such time as the City Traffic Engineer determines actual traffic volumes justify a new traffic signal consistent with City Ordinance No. 647. The applicant is to pay the fair-share cost of the traffic signal cost</p>	Less than significant

Table 1A: Summary of Project-Specific Impacts, Mitigation Measures, and Level of Significance

Potential Environmental Effect	Mitigation Measure	Level of Significance After Mitigation
Cumulative level of service impacts at Crenshaw Boulevard at Silver Spur Road	<p>(12.48 percent), and the City is to construct the signal when warranted. All direct design and construction costs shall be approved by the City's Traffic Engineer.</p> <p>4.13-9</p> <p>Crenshaw Boulevard at Silver Spur Road. Prior to issuance of an occupancy permit, the applicant shall provide evidence to the City's Traffic Engineer and Public Works Director that the project's fair-share costs toward the following improvement has been paid: widen and/or restripe the southbound approach of Crenshaw Boulevard to provide two right-turn lanes as well as modifications to the signal and appropriate signing and striping. These modifications are consistent with those adopted in Ordinance No. 647. The applicant shall pay the fair-share cost (9.36 percent), and the City is to construct the improvements when warranted. All direct design and construction costs shall be approved by the City's Traffic Engineer.</p>	Less than significant
Cumulative impacts to Hawthorne Boulevard and Indian Peak Road, Crenshaw Boulevard and Indian Peak Road, Hawthorne Boulevard and Palos Verdes Drive North, and Crenshaw Boulevard and Palos Verdes Drive North	<p>4.13-10</p> <p>Payment of Fees. Prior to issuance of an occupancy permit, the applicant shall, at the City's discretion, provide one of the following contributory mitigation methods: (1) contribution equal to the project's share of the estimated construction costs for the necessary mitigation measures to offset its cumulative impact at the four key intersections below, (2) pay the appropriate fees to offset its cumulative impact at the four key intersections below, or (3) fully participate in the City's Development Impact Fee (DIF) program. All estimated costs pursuant to this mitigation measure shall be approved by the City Traffic Engineer. The four key intersections with contributory impacts are: Hawthorne Boulevard at Indian Peak Road, Crenshaw Boulevard at Indian Peak Road, Hawthorne Boulevard at Palos Verdes Drive North, and Crenshaw Boulevard at Palos Verdes Drive North. All estimated costs pursuant to this mitigation measure shall be approved by the City's Traffic Engineer. Subsequent to completion of this mitigation, the applicant shall provide evidence to the City's Traffic Engineer and Public Works Director.</p>	Less than significant

N/A = not applicable

This page intentionally left blank



E-mails from Janet Gunter regarding
June 7th Board of Harbor Commissioners (BHC) meeting

Kit Fox

From: Janet Gunter [arriane5@aol.com]
Sent: Tuesday, May 29, 2012 10:25 PM
To: knatz@portla.org
Cc: MrEnvrlaw@sbcglobal.net; jody.james@sbcglobal.net; det310@juno.com; connie@utter.us; konnica@ca.rr.com; dan.weikel@latimes.com; djgoldstein@cbs.com; paul_h_rosenberg@hotmail.com; lpryor@usc.edu; carl.southwell@gmail.com; brian.campbell@rpv.com; brian.hembacher@doj.ca.gov; sally.magnani@doj.ca.gov
Subject: REQUEST TO PRESENT 12 MINUTE VIDEO ON RANCHO LPG AT POLA HARBOR COMMISSION 6/7/12 MEETING

Hello Geraldine-

On behalf of the San Pedro Peninsula Homeowners United, I am submitting a request to play a 12 minute video relating to the Rancho LPG facility. This presentation responds directly to the agenda item to be heard that day on the Port Community Advisory Committee's Motion to revoke the "month to month revocable rail permit" being granted to Rancho LPG to service their operations. Please let us know asap if we may be granted this opportunity. We believe that it is of extreme importance.

Thank you,
Janet Gunter

Page 1 of 1

Kit Fox

From: Janet Gunter [arriane5@aol.com]
Sent: Wednesday, May 30, 2012 11:26 AM
To: marciesmiller@sbcglobal.net; deartoni@yahoo.com; roamerbill@yahoo.com; liz@smbaykeeper.org; fwmjet@aol.com; bonbon@earthlink.net; rueski1@cox.net; Kit Fox; paul_h_rosenberg@hotmail.com
Subject: PCAC Motion before the POLA Harbor Commission on June 7th 8:30 AM

It will be very important to have speakers to testify before the Harbor Commission next Thursday. Please let me know how many of you may be available to put in 3 minutes. The Motion before the Harbor Commissioners for approval is the Port Community Advisory Committee's directive to revoke the month to month renewable rail permit to Rancho until a risk assessment is provided that estimates the level of risk exposure to the community and establishes that the insurance carried by the Rancho/Plains operators is enough to cover potential damages from an event at the site. This is very important stuff. Please come to testify.

Thanks,

Janet

BHC Staff report for Rancho LPG rail permit revocation request

DATE: MAY 31, 2012

FROM: PLANNING & ECONOMIC DEVELOPMENT

SUBJECT: RESOLUTION NO. _____ - STAFF RESPONSE TO THE PORT OF LOS ANGELES COMMUNITY ADVISORY COMMITTEE RECOMMENDATION NO. 110 REGARDING RANCHO LPG HOLDINGS, LLC FACILITY

SUMMARY:

Port of Los Angeles Community Advisory Committee (PCAC) Recommendation No. 110 requests that the City of Los Angeles Harbor Department (Harbor Department) revoke Revocable Permit No. 10-05 (the rail line permit that connects the North Gaffey Street terminal to the interstate railroad system); perform a risk assessment of the Rancho LPG Holdings, LLC (Rancho) facility and all hazardous commodities transported through the Port of Los Angeles (Port) and nearby communities via pipelines, railroad tank cars, and tank trucks; and that the Board of Harbor Commissioners (Board) establish a working group to assist in examining the risks associated with the Rancho facility. Staff recommends denying PCAC Recommendation No. 110.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners:

1. Consider and deny the Port of Los Angeles Community Advisory Committee Recommendation No. 110 for the reasons stated in this board letter; and
2. Adopt the foregoing as Resolution No. _____.

DISCUSSION:

Background – Rancho Facility: In 1973, Petrolane developed a liquefied petroleum gas (LPG) storage facility on private land on North Gaffey Street in San Pedro (Transmittal 1). The facility was assessed in an Environmental Impact Report (EIR) certified in 1973 by the City of Los Angeles as the lead agency. The facility has been used to store butane and propane and includes two 12.5 million gallon refrigerated tanks. Additionally, the facility includes five 60,000 gallon horizontal storage tanks. The Harbor Department does not own or have operational control over the LPG storage facility. While located on privately owned property, the storage facility is subjected to regulation by several local, state and federal regulatory and enforcement agencies, including, but not limited to the U.S. Department of Homeland Security, U.S. Department of

SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

Transportation, U.S. Environmental Protection Agency, U.S. Department of Occupational Health and Safety, California Environmental Protection Agency, California Emergency Management Agency, California Department of Toxic Substances Control, Los Angeles City and County Fire Departments, City of Los Angeles Bureau of Sanitation Industrial Waste Management Division and City of Los Angeles Department of City Planning.

Pipeline Permit and Berthing Rights: The storage facility was connected to the Port by means of a 16-inch pipeline to Berth 120 in the West Basin where vessels were loaded with butane for export. In March 2004, the Board concurred with PCAC motion No. 17, which recommended that the transfer of LPG products at Berth 120 cease, and that the pipeline permit not be renewed. In July 2004, the berthing rights for AmeriGas, which acquired Petrolane, were terminated, and in October 2010, the pipeline permit was terminated.

Rail Spur Permit: In addition to the pipeline permit and berthing rights, the Harbor Department also approved a permit for a railroad spur track to serve the storage facility. In 1974, the Harbor Department entered into Revocable Permit (RP) No. 1212 with Petrolane (the first occupant of the current Rancho facility) for construction, operation, and maintenance of an industrial railroad spur track. The spur track was necessary to connect the Petrolane facility to the existing spur track that ran along Gaffey Street. This spur track that ran along Gaffey Street pre-existed the development of the Petrolane facility and served other customers in the area. Records indicate that in order to allow Petrolane access to the rail system a spur track had to be constructed over land the Harbor Department had previously purchased from the Watson Land Company in 1970. At that time the remainder of that spur track that ran along Gaffey Street was owned by Southern Pacific Railroad (SPR).

In 1994, through the purchase with the Port of Long Beach acting by and through its Board of Harbor Commissioners, of rail track in connection with the Alameda Corridor project, the Harbor Department gained an ownership interest in the railroad spur track that was once owned by SPR and runs parallel to Gaffey Street up to the point covered by RP No. 1212. Therefore, after the Alameda Corridor transaction, the Harbor Department had interest in the entirety of the railroad spur track that parallels Gaffey Street which serves the Rancho facility. Rancho continues to utilize the railroad spur track to move tank cars to and from the facility. Rail service is provided by Pacific Harbor Line (PHL), the operating railroad that provides rail switching services to customers within and adjacent to the Ports of Los Angeles and Long Beach.

In 2011, the Harbor Department entered into RP No. 10-05 with Rancho LPG Holdings, LLC (Rancho) (Transmittal 2). RP No. 10-05 is a successor RP to RP No. 1212. The Harbor Department is authorized to terminate RP No. 10-05 upon thirty (30) days' notice pursuant to paragraph 3 of the RP, which states:

SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

"The Revocable Permit shall be month-to-month, commencing upon the date of execution by Executive Director and shall thereafter be revocable at any time by Tenant or by Executive Director, upon giving of at least thirty (30) days' written notice to the other party stating the date upon which this Permit shall terminate. The right of the Executive Director to revoke this Permit is and shall remain unconditional. Neither City, nor any board, officer or employee thereof, shall be liable in any matter to Tenant because of such revocation." (RP No. 10-05)

PCAC Recommendation No. 110 – PCAC Recommendation No. 110 (Transmittal 3) requests the Board direct staff to (1) revoke Revocable Permit (RP) No. 10-05, (2) perform a "Risk Management Plan" of the Rancho facility, including the transport of product to and from the facility by pipeline, rail tank car and truck, and perform a risk analysis of products transported to and through the Port and nearby communities by pipeline, rail tank car and truck, and (3) that the Board establish a working group to examine the risks of the Rancho facility.

(1) As stated above, the Harbor Department does have the right to revoke Permit No. 10-05 in accordance with the terms of the contract. Termination would not have the effect of terminating rail service to the Rancho facility, however, because rail service to the Rancho facility would continue under a permit between the Harbor Department and Pacific Harbor Line (PHL) (Permit No. 1989). RP No. 10-05 is the rail spur permit that connects the Rancho facility to the interstate railroad system served by PHL as a common carrier. Permit No. 1989, approved by the Board in 1997, grants PHL operational and maintenance responsibilities of the rail facilities in the Port, including the switching of railcars in and around the Port. This Permit gives PHL, the ability to operate as a federally recognized common carrier on the spur track along Gaffey Street that serves the Rancho facility. This includes the section of track that is also the subject of RP No. 10-05. Therefore, RP No. 10-05 between the Harbor Department and Rancho is not required for PHL to serve the facility and termination of the permit would not result in any discontinuation of rail service to the Rancho facility. Moreover, termination of RP No. 10-05 would result in the loss of (1) \$1 million in comprehensive general liability and property damage insurance provided by Rancho, (2) indemnification of the Harbor Department from any claims resulting from Rancho's operations on the RP No. 10-05 premises, and (3) the loss of \$14,244 in compensation per year generated from the RP. Further, should the Board seek to eliminate the spur track from Permit No. 1989 with PHL, approval would be required from the Surface Transportation Board (STB). If this were to be initiated, it is anticipated that Rancho would vigorously contest the proposed action. STB discontinuance/abandonment proceedings largely involve questions of a line's economic viability. Based on staff's current understanding, there is still economic viability in the use of the line to serve the Rancho facility. Accordingly it is unlikely that the STB would allow discontinuance or abandonment of the line.

SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

Therefore, staff recommends that this element of PCAC Recommendation No. 110 be denied.

(2) PCAC Recommendation No. 110 also requests the Harbor Department to develop a "Risk Management Plan" for the Rancho facility assessing the transport of product to and from the facility by pipeline, rail tank car, and tank trucks. The motion also requested a risk analysis of the transport of products to and through the Port and nearby communities via pipelines, rail tank cars, and tank trucks. In November 1983, the California Coastal Commission certified Port Master Plan Amendment No. 3, relating to the establishment of a Risk Management Plan (RMP) for the Port. The purpose of the RMP is to manage and direct proposed developments in the Port to protect against and minimize the risks of significant adverse impacts due to potential hazards associated with liquid bulk terminals in the Port. The policies of the Harbor Department's RMP require those Port terminals handling hazardous liquid bulk cargoes be identified, those locations in and adjacent to the Port that contain high density working, visitor or residential populations be identified, and those areas that could be placed at risk should an incident occur at a Port liquid bulk terminal be identified. Once these are identified, the goal of the RMP is to minimize or eliminate those areas where a high density population is within an area placed at risk from an incident at a liquid bulk facility in the Port.

Since the RMP is an amendment to the Port Master Plan, which governs those Port properties within the coastal zone, its application is limited to those same Port properties within the coastal zone. The current Rancho facility on North Gaffey Street is neither on Port property nor is it within the coastal zone. Therefore, as the Rancho facility is outside of the Harbor District and coastal zone, application of the RMP criteria is beyond the jurisdiction of the Harbor Department. Additionally, the intent of the Harbor Department's RMP is to assess the potential risks of the storage and transfer of hazardous commodities occurring at liquid bulk terminals in the Port. Risk assessments of commodities either on board a vessel, inside a tank truck or rail tank car or in a pipeline transiting through the Port is not mandated to be addressed in the Port's RMP. Therefore, staff recommends denial of this element of PCAC Recommendation No. 110.

(3) The motion further requests that the Board establish a working group to examine the risks associated with the operation of the Rancho facility and the transport of products by rail and truck to the facility. The working group should include representatives of the Los Angeles Fire Department, U.S. Geological Survey, U.S. Environmental Protection Agency, research communities, local organizations and PCAC. As stated above, as the Rancho facility is located outside of the Harbor Department's jurisdiction on privately held property,

SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

establishing and organizing a working group to assess operations at the Rancho facility would be beyond the Harbor Department's scope of authority. Therefore, staff recommends denial of this element, as well as the entirety of PCAC Recommendation No. 110. However, Harbor Department staff could request that another agency establish such a working group.

ENVIRONMENTAL ASSESSMENT:

The proposed action is denial of a PCAC recommendation requesting that the Harbor Department revoke Permit No. 10-05 with Rancho, perform a risk assessment of the Rancho facility and all hazardous commodities transported through the Port and nearby communities and that the Board establish a working group to assist in examining the risks associated with hazardous commodity transport operations. As an activity involving rejection and disapproval of a project, the Director of Environmental Management has determined the proposed action is exempt from the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(j) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment impact.

FINANCIAL IMPACT:

If Revocable Permit No. 10-05 is terminated, the Harbor Department will lose \$14,244 in compensation per year.

DATE: MAY 31, 2012

PAGE 6 OF 6

SUBJECT: STAFF RESPONSE TO PCAC RECOMMENDATION NO. 110

CITY ATTORNEY:

The City Attorney's Office finds that the Harbor Department has contractual authority to terminate RP No. 10-05 pursuant to paragraph 3 of RP No. 10-05. Termination of RP No. 10-05 would result in a loss of insurance, indemnification, and rents to the Harbor Department that are provided under RP No. 10-05. Moreover, termination of RP No. 10-05 would not terminate rail service to Rancho as such service would continue to be provided by PHL pursuant to the San Pedro Bay Harbor Rail Operating Permit (Permit No. 1989). The City Attorney's Office has reviewed and analyzed the relevant legal authorities and has found that the Harbor Department is not authorized to abandon or discontinue the railroad spur track that is the subject of RP No. 10-05. Abandonment or discontinuance of the railroad spur track that serves Rancho requires the approval of the STB, which has exclusive jurisdiction over such matters.

TRANSMITTALS:

1. Rancho Facility Site Map
2. RP No. 10-05
3. PCAC Recommendation No. 110

FIS Approval: EJ (initials)

CA Approval: TAM (initials)

for Michael Keenan
DAVID L. MATHEWSON
Director of Planning & Economic Development

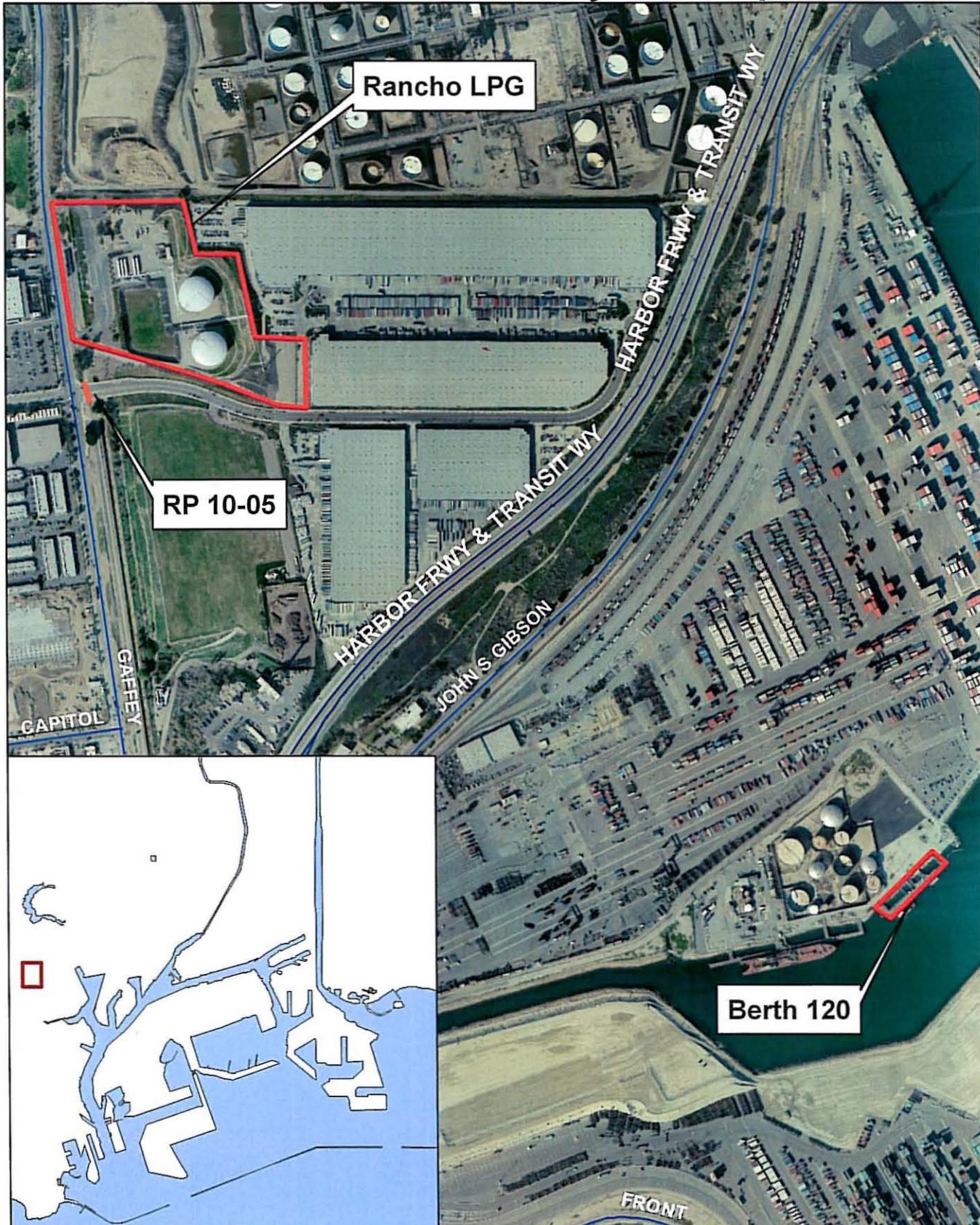
APPROVED:

mgj
GERALDINE KNATZ, Ph.D.
Executive Director

mgj
KATHRYN McDERMOTT
Deputy Executive Director

Author: J. Ruddell

Rancho Facility Site Map



CITY OF LOS ANGELES HARBOR DEPARTMENT
Port of Los Angeles

REVOCABLE PERMIT

No. 10-05

The General Manager of the Harbor Department (hereinafter called "Executive Director") of the City of Los Angeles (hereinafter called "City") HEREBY GRANTS PERMISSION TO RANCHO LPG HOLDINGS, LLC, a Delaware limited partnership, 607 8th Avenue S.W., Suite 1400, Calgary, Alberta, Canada T2P 0A7 (hereinafter called "Tenant") to occupy and use certain lands, waters and/or facilities within the Harbor District owned or under the control of City acting through its Board of Harbor Commissioners (hereinafter called "Board"), subject to the following terms and conditions:

1. Premises. The premises subject to this Agreement (hereinafter called "premises") is designated as Parcel No. 1 and is delineated and more accurately described on the preliminary Harbor Engineering Drawing No. 5-4327. A final drawing shall be substituted for Harbor Engineering Drawing No. 5-4327 when prepared by the Chief Harbor Engineer, Engineering Division, of the Harbor Department, and shall be marked Exhibit "A-1." A copy of said drawing is attached hereto as Exhibit "A." By mutual agreement of Executive Director and Tenant, land and water not exceeding ten percent (10%) of the area granted or 20,000 square feet, whichever is greater, may be permanently added to or deleted from the premises granted herein without further approval of the Board subject to the following conditions: (1) so long as such change in area is not temporary within the meaning of Tariff Item 1035 (or its successor), the compensation set forth in Section 4 shall be increased or decreased pro rata to reflect any such addition or deletion; (2) if the change involves the addition or deletion of any improvement, the adjustment to the compensation shall also take into account this change in the same manner in which the compensation was originally calculated; (3) if permanent changes in area are made on more than one occasion, the cumulative net change in area may not exceed ten percent (10%) or 20,000 square feet, whichever is greater, of the originally designated area, and (4) the change in area shall not result in the annual compensation changing by more than One Hundred Thousand Dollars (\$100,000). The Executive Director is authorized to execute amendment(s) to this Permit to effect the foregoing adjustments to area and compensation without further action of the Board.

2. Purpose. The premises shall be used for the purpose of operation and maintenance of existing industrial rail spur tracks and not for any other purpose without the prior written consent of Executive Director.

3. Effective and Termination Dates. This Revocable Permit shall be month-to-month, commencing upon the date of execution by Executive Director and shall thereafter be revocable at any time by Tenant or by Executive Director, upon the giving of at least thirty (30) days' written notice to the other party stating the date upon which this Permit shall terminate. The right of Executive Director to revoke this Permit is and shall remain unconditional. Neither City, nor any board, officer or employee thereof, shall be liable in any manner to Tenant because of such revocation.

4. Compensation.

(a) Amount. Each month, in advance, Tenant shall pay to Board the sum of One Thousand One Hundred Eighty-seven Dollars (\$1,187.00) as rental for the use of the premises. Use of the premises for purposes not expressly permitted herein, whether approved in writing by Executive Director or not, may result in additional charges, including charges required by Port of Los Angeles Tariff No. 4, as amended or superseded. Tenant agrees to pay such additional charges. Executive Director may change the amount of rental required herein upon giving at least thirty (30) days' written notice to Tenant.

(b) Delinquency Charge. Rental payments which have not been paid within ten (10) days of the due date ("grace period") shall be subject to a service charge of one-thirtieth (1/30) of two percent (2%) of the invoice amount remaining unpaid each day. The service charge shall accrue from the first day after the original due date and shall be imposed even if all or a portion of any sum on deposit as a guarantee against delinquent rent is applied to the amount due. For the administrative convenience of both City and Tenant, City will not apply Tenant's deposit, which is described below, to unpaid rent until Tenant's occupancy is terminated or a notice to terminate the occupancy has been provided. The City has the unqualified right, upon thirty (30) days' prior notice to Tenant, to change the level of the delinquency service charge provided the rate shall not exceed the maximum permitted by law.

(c) Deposits. Prior to the issuance of this Permit, Tenant shall deposit with the Harbor Department the sum of Two Thousand and Five Hundred Dollars (\$2,500.00) as a guarantee to cover delinquent rent and its other obligations under this Permit. If the rent is thereafter changed, Tenant shall modify its deposit as necessary to assure that Tenant at all times has on deposit a sum equal to two months of the current rental payments. If all or any part of said deposit is used to pay any rent due and unpaid or to meet other Tenant obligations, including, but not limited to, maintenance expenses, Tenant shall then immediately reimburse said deposit so that at all times during the life of this Permit said deposit shall be maintained. Failure to maintain the full amount of said deposit shall subject this Permit to forfeiture. In the sole discretion of the Executive Director, Tenant may post other forms of security but only if in a form acceptable to the City Attorney. If for any reason City has not initially required a deposit from Tenant, City may at any time and for any reason require a deposit in an amount the Executive

Director determines necessary to secure performance of the Permit. Tenant agrees to post such deposit with City within ten (10) days of written request from City and agrees that its failure to do so constitutes a material breach of this Permit. No interest is payable by City on deposits if the deposits are subsequently refunded.

(d) No Right of Set-Off. Notwithstanding any other provision of this Permit, Tenant's obligation to pay all rent payable hereunder shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which Tenant may have against City.

(e) Deposits for Disputed Payments. Tenant recognizes that disputes may arise over monies due the City in accordance with this Permit. Tenant and City shall make a good faith effort to resolve any disputes as expeditiously as possible. Tenant agrees, upon receiving a billing from City which it disputes, to deposit with the City the disputed amount in the form of cash, certificate of deposit in the City's name or other security acceptable to City within thirty (30) days of the date of billing. City shall hold the deposit pending the resolution of the dispute. If the dispute is resolved in the City's favor, City shall retain the money and all interest earned on it. If the dispute is resolved in favor of Tenant, said deposit shall be returned to Tenant with all accumulated interest. Tenant understands that its failure to provide a deposit acceptable to City within thirty (30) days shall be considered a material default of this Permit and City shall be entitled to cancel this Permit upon seven (7) days' written notice. If Tenant is required under this Revocable Permit to pay City any sums in accordance with City's tariff, Tenant's failure to provide a deposit shall require Tenant to make all payments in accordance with Item 265 of the Tariff and Tenant shall be removed from the Credit List authorized by Item 260 of the Tariff or as amended or superseded. If the billing for any one disputed amount exceeds One Hundred Thousand Dollars (\$100,000), Tenant shall be required to deposit One Hundred Thousand Dollars (\$100,000) with City; if City prevails in the dispute and the amount due City exceeds One Hundred Thousand Dollars (\$100,000), Tenant shall pay the difference due within fifteen (15) days with interest at the rate set forth in Section 4(b) from the date of City's initial billing to Tenant.

(f) Records and Accounts. All books, accounts and other records showing the affairs of Tenant with respect to its business transacted at, upon or over the premises shall be maintained locally, and shall be subject to examination, audit and transcription by Executive Director or any person designated by her; and in the event it becomes necessary to make such examination, audit or transcription at any place other than within fifty (50) miles of the premises, then all costs and expenses necessary, or incident to such examination, audit or transcription shall be paid by Tenant. These records shall be retained during the term of this Permit so that the records for the four (4) most recent years are available. After this Permit terminates, Tenant shall maintain the records for the four (4) most recent years for at least two (2) years. Upon request in writing by Executive Director or his or her designated representative, Tenant shall furnish a statement of the exact location of all records and the name and telephone number of the custodian of these records. The statement shall be submitted within fifteen (15) days of the request and shall contain such detail and cover such period of time as may be specified in any such request. From time to time Executive Director or designee shall audit Tenants' records and accounts. Information to be provided by Tenant will include, but not be limited to, general ledgers, charts of accounts, subledgers including cash receipts journals, cash disbursement journals, and all original receipts and documents which support the information provided to City.

(g) Promotion of Los Angeles Harbor Facilities. Tenant shall in good faith and with all reasonable diligence use its best efforts by suitable advertising and other means to promote the use of the premises granted by this Permit.

(h) Supervision of Business Practices. The nature and manner of conducting any and all business activities on the premises shall be subject to reasonable regulation by Board. In the event such business is not conducted in a reasonable manner as determined by Board, it may direct that corrective action be taken by Tenant or its sublessees to remedy such practices and upon failure to comply therewith within thirty (30) days of Tenant receiving such written notice, Board may declare this Permit terminated.

Pursuant to the provisions of the Los Angeles City Charter and of the tide and submerged land grant, Tenant and its sublessees shall use the premises in such a manner so that there shall be no discrimination made, authorized or permitted in the rates, tolls, or charges or in the facilities provided for any use or service in connection therewith.

Tenant shall also conduct its business and cause the businesses of its sublessees upon the premises (if any have been expressly authorized by City in writing) to be conducted in a first-class manner. Tenant shall furnish and maintain a standard of service at least equal to that of the better class of similar businesses providing similar services and facilities in the City of Los Angeles and adjacent communities during the entire term of this Permit.

Board reserves the right to have access to and inspect the schedule of rates and prices for services and facilities performed or provided upon the premises. In the event that after Tenant has been advised and given a

reasonable opportunity to confer with Board and to justify any rate or price challenged by it as unreasonable or noncompensatory, and Board has determined such rate or price to be unreasonable or inappropriate for the services rendered or the facilities provided, such rates or prices shall be modified by Tenant as directed by Board.

5. Restoration Bond. Tenant shall provide a cash deposit, certificate of deposit in the name of the City, surety bond, irrevocable letter of credit or other form of security in the name of the City and acceptable to the Executive Director and City Attorney in the amount of _____ (\$) payable to the City of Los Angeles, to guarantee, upon any termination, revocation or forfeiture of this Permit, the restoration of premises and the removal of works, structures and other improvements by Tenant as required by this Permit. Said deposit, or other form of security bond, shall be in a form acceptable to and subject to the approval of the City Attorney. No interest is payable by City on deposits if the deposits are subsequently refunded. If Executive Director becomes aware of facts which lead him or her to believe that the financial condition of Tenant has substantially changed such that Tenant may not be able to meet its restoration obligation, Executive Director may increase the restoration bond or deposit requirement, and where no restoration bond or deposit is initially required, Executive Director may require such a bond or deposit. If any property of any kind is on the premises at the request or with the permission of Tenant, its officers, agents, employees, sublessees, licensees or invitees, including vessels, machinery or equipment, and such property sinks in any channel or water area (hereafter "sunken property") and Tenant fails to remove such property within ten (10) days of a request by City to do so, Executive Director may require a restoration deposit or bond in the amount of the reasonable cost of removal as determined by Harbor Engineer. If Executive Director in his or her sole discretion determines sunken property is a safety hazard and so notifies Tenant, failure to remove the property may result in termination of this Permit upon three (3) days' notice.

6. Rights-of-Way. This Permit shall at all times be subject to such rights-of-way over the land embraced therein for such sewers, pipelines, conduits, and for such telephone, telegraph, light, heat or power lines as may from time to time be determined by Board; and shall also be subject to rights-of-way for streets and other highways and for railroads and other means of transportation as shall have been duly established, or as shall be reserved herein; and shall also be subject to rights-of-way as Board requires to drill and explore new or maintain existing oil, gas or mineral wells. This Permit shall at all times be subject to all prior exceptions, reservations, grants, easements, leases or licenses of any kind whatsoever as the same appear of record in the Office of the Recorder of Los Angeles County, California, or in the official records of City or any of its various departments.

7. Premises Satisfactory to Tenant/Required Modifications. Tenant has inspected the premises and agrees that they are suitable for the uses permitted herein. No officer or employee of City has made any representation or warranty with respect to the premises, except as described in writing and attached hereto as an addendum, and in entering into this Revocable Permit, Tenant agrees it relies only on the provisions of the Permit. Any modification, improvement, or addition to the premises and any equipment installation or removal required by the Fire Department, Department of Building and Safety, South Coast Air Quality Management District, Regional Water Quality Control Board, U.S. Coast Guard, Environmental Protection Agency, or any other agency in connection with Tenant's operations, shall be constructed, installed, or removed at Tenant's sole expense. Tenant shall obtain a Harbor Engineer's General Permit before making any modifications to the premises.

8. Use of Premises. Tenant agrees not to use the premises in any manner, even if the use is for the purposes enumerated herein, that will cause cancellation of any insurance policy covering any such premises or adjacent premises provided Tenant may in City's discretion remain if it pays the increase in City's insurance costs caused by its operations. No offensive or refuse matter, or any substance constituting any unnecessary, unreasonable or unlawful fire hazard, or material detrimental to the public health, shall ever be permitted by Tenant to be or remain, and Tenant shall prevent any such material or matter from being or accumulating upon said premises. Tenant further agrees not to keep on the premises or permit to be kept, used, or sold thereon, anything prohibited by any policy of fire insurance covering the premises or any structure erected thereon.

9. Repair and Maintenance. The repair and maintenance obligations of the parties are as follows (if Tenant's premises do not include wharves, maintenance provisions related to wharves shall not apply):

(a) Maintenance Performed by City at City's Expense (Except as Noted). Except as provided in subsections 9(c), 9(d), 9(g) and 9(h), City will maintain at its expense the roofs and exteriors of all buildings owned by City and the structural integrity of wharf structures (if any) and buildings owned by City. The "wharf structure" (if any) for purposes of this subsection means the beams, girders, subsurface support slabs, bulkheads and prestressed concrete or wood piling, joists, pile caps and timber decking (except as noted below), and any and all mooring dolphins. The wharf structure does not include the paving, the surface condition of timber decking or the fendering system. City will maintain and repair at its expense all fire protection sprinkler systems, fire hydrant systems, standpipe systems, fire alarm systems, and other fire protective or extinguishing systems or appliances (portable fire extinguishers and hoses excluded) which have been or may be installed in buildings or structures City owns on the premises. City shall also perform at its expense all electrical substation and switchgear preventive maintenance.

(b) Maintenance Performed by City at Tenant's Expense. Subject to the provisions of subsections 9(c), 9(d), 9(g) and 9(h), City shall maintain and repair at Tenant's expense the wharf fender system for wharves owned by City, (in accordance with City's wharf damage procedures, a copy of which will be provided to Tenant upon its request), refrigerated receptacle outlets, backflow devices and potable water systems and heating and air conditioning systems, so long as City forces are available. If, however, Tenant fails to pay City in accordance with City's wharf damage procedure (which contains depreciation criteria favorable to Tenant), then City reserves the right to collect the actual cost of repair based on actual depreciation factors as established by City in court.

(c) Maintenance Performed by Tenant at Its Expense. Tenant shall be responsible for performing and paying for all maintenance and repairs not expressly covered above. Tenant shall be responsible at its expense for inspecting and assuring that all necessary portable fire extinguishers are present on the premises and maintained in an operable condition. Notwithstanding subsections (a) and (b) above, all modifications or repairs to the electrical, plumbing or mechanical systems resulting from "call outs" (Tenant-requested repairs requested on weekends, holidays or other than 7:45-4:15 Monday-Friday or such other times as City adopts as its maintenance force work hours) are at Tenant's expense. Tenant shall also be responsible at its expense for inspecting the premises and keeping the premises, [including, but not limited to, the surface of timber decking, all paving, landscaping, irrigation systems, fencing, signage, and striping (if any) and relamping] and all works, structures and improvements thereof, whether a part of the premises or placed by Tenant, in a safe, clean, sanitary and sightly condition. All maintenance performed by Tenant shall assure the premises are maintained in a first-class operating condition and in conformance with all applicable federal, state, regional, municipal and other laws and regulations. The appearance, safety and operational capability of the premises shall be maintained to the satisfaction of the Executive Director. Tenant shall make all efforts necessary to immediately discover and guard against any defects in all surfaces of timber decking, paving, buildings, structures and improvements on the premises without request from City. Tenant shall also completely maintain at its expense all buildings, structures, improvements, timber decking surfaces and paving it erects, owns, or installs. All modifications and repairs which Tenant makes to City-owned or Tenant-owned buildings, structures, improvements, timber decking and paving require a Harbor Department Engineering permit. Sample permits are available upon request from the Harbor Engineer. Tenant agrees to strictly comply with all the terms and conditions of the Harbor Engineer's permit. Tenant shall maintain in its offices at the premises at all times the Harbor Engineer's permit allowing the work performed and proof that the work has been performed in accordance with all terms and conditions of the permit. Modifications and repairs shall be made in a first-class manner using materials of a kind and quality comparable to the items being replaced (in-kind replacement shall be utilized if material still manufactured). Tenant is obligated at its expense to take both such preventive and remedial maintenance actions as are necessary to assure that premises are at all times safe and suitable for use regardless of whether Tenant is itself actively using all of the premises. Tenant shall provide notice to the Director of Port Construction and Maintenance and Harbor Engineer five (5) work days before any paving work is performed; provided, however, Tenant shall immediately repair any condition creating a risk of harm to any user of the premises. All materials used and quality of workmanship shall be satisfactory to the Harbor Engineer.

(d) Tenant's Responsibility for Damage. Notwithstanding the foregoing, if damage to the wharf structure or any other building, structure, improvement or surface area is caused by the acts or failure to act of Tenant, its officers, agents, employees or its invitees, (including, but not limited to, customers of Tenant and contractors retained by Tenant to perform work on the premises -- hereafter collectively "invitees"), Tenant shall be responsible for all costs, direct or indirect, associated with repairing the damage and the City shall have the option of requiring Tenant to make the repairs or itself making the repairs. If City makes the repairs, Tenant agrees to reimburse City for the City's cost of repair. All damage shall be presumed to be the responsibility of Tenant and Tenant agrees to be responsible for such damage unless Tenant can demonstrate to the satisfaction of City that someone other than its officers, agents, employees, or invitees caused the damage. Tenant agrees to reimburse City for the cost of repair to City's wharf for any damage to the wharf resulting from a collision between a vessel and the wharf while docking or undocking unless Tenant demonstrates that such damage was caused by the sole active negligence of City or demonstrates that such damage was caused by an invitee of some other Tenant to which the premises are also assigned. The sufficiency of proof presented by Tenant to City shall be determined by City in its sole judgment. Tenant's obligations as a vessel owner or operator pursuant to City's Tariff Item 305 (or its successor) or pursuant to any pilotage contract Tenant may have with City are not altered by the provisions of this subsection.

(e) City's Option to Perform Work at Tenant's Expense. If Tenant fails to repair, maintain and keep the premises and improvements as above required, Executive Director may give thirty (30) days' written notice to Tenant to correct such default, except that no notice shall be required where, in the opinion of Executive Director, the failure creates a hazard to persons or property. If Tenant fails to cure such default within the time specified in such notice, or if Executive Director determines that a hazard to persons or property exists due to such failure, Executive Director may, but is not required to, enter upon the premises and cause such repair or maintenance to be made, and the costs thereof, including labor, materials, equipment and overhead cost, to be charged against Tenant. Such charges shall be due and payable with the next rent payment. During all such times, the duty shall be on Tenant to assure the premises are safe and Tenant shall erect barricades and warning signs to assure

workers and the public are protected from any unsafe condition. None of City's remedies described above shall preclude City from terminating this Permit if City is not satisfied with Tenant's compliance with the maintenance provisions of this Permit.

(f) Inspection of Premises and Tenant Repairs. Tenant shall be responsible for inspecting the premises (including all surfaces of timber decking, paving, structures, buildings and improvements) and at all times maintaining the premises in a safe condition. Executive Director and/or his or her representatives shall have the right to enter upon the premises and improvements constructed by Tenant at all reasonable times for the purpose of determining compliance with the terms and conditions of this Permit or for any other purpose incidental to the rights of City. This right of inspection imposes no obligation upon City to make inspections nor liability for failure to make such inspections. By reserving the right of inspection, City assumes no responsibility or liability for loss or damages to the property of Tenant or property under the control of Tenant, whether caused by fire, water or other causes. City assumes no responsibility for any shortages of cargo handled by Tenant. If City requests drawings and/or specifications showing the location and nature of repairs to be made or previously made by Tenant (including by its invitees), Tenant agrees to provide to City the material requested in writing within ten (10) days of request by City.

(g) City's Access to Maintain and Repair Premises. If City deems it necessary to maintain or repair the premises, Tenant shall cooperate fully with City to assure that the work can be performed timely and during City's normal working hours. If City is required to perform any work outside its normal working hours, even work which would otherwise be at City's expense, the entire cost of such work shall be at Tenant's expense.

(h) Maintenance/Repair Obligations Dependent on Indemnity/Insurance Provisions. City's agreement to perform certain repairs and to pay for certain repairs is expressly conditioned on the indemnity and insurance provisions of this Permit remaining in force and effect. If Tenant fails to comply with the indemnity and insurance provisions or if these provisions are ever deemed not applicable, then Tenant shall be obligated to perform and pay for all maintenance and repairs to the premises without exception at its own expense. Tenant shall perform such maintenance and repairs only after it has secured the Harbor Engineer's General Permit. Such work shall be deemed completed only when all terms of the permit have been satisfied. If City inspects any work performed by Tenant and finds it unsatisfactory, Tenant shall be obligated to correct the work to City's satisfaction at Tenant's expense.

(i) Definition of City's Actual Costs. Whenever this Section requires Tenant to reimburse City for the City's cost of maintenance, the City's cost of maintenance is agreed to include all direct and indirect costs which City incurs whether with its own forces or with any independent contractor. These costs include salary and all other costs City incurs from its employees ("salary burden"), all material and equipment costs and general overhead costs.

(j) Exhibit Listing More Common Maintenance Items. Attached as Exhibit "B" is a detailed description of items which is intended to describe the more common maintenance work which may be necessary at the premises. Not all items listed will be present at all premises within the Port. Costs and responsibilities shall be apportioned as set forth in this Exhibit except as may otherwise be required by the provisions above.

10. Defaults. Upon the neglect, failure or refusal of Tenant to comply with any of the terms or conditions of this Permit within the time stated in the written demand of Executive Director, the Executive Director may declare this Permit forfeited, and may forthwith enter upon said premises, using all reasonable force so to do, and exclude Tenant from further use of said premises and all improvements thereon. Upon such forfeiture, Tenant shall immediately surrender all rights in and to the premises and all improvements. Upon any such forfeiture, any and all buildings, structures and improvements of any character whatsoever, erected, installed or made by Tenant under, through, or because of, or pursuant to the terms of this Permit, or any prior permit, shall immediately ipso facto either become the property of City free and clear of any claim of any kind or nature of Tenant or its successors in interest without compensation to Tenant or become removable by Executive Director at the sole expense of Tenant, at the option of Executive Director. In the event this Permit is forfeited as set forth above, Executive Director may enforce all of City's rights and remedies under this Permit. In addition to any other remedy available to City, City shall be entitled to recover from Tenant rent as it becomes due pursuant to the terms of this Permit and, in addition thereto, the damage that City may recover includes the worth at the time of the award of the amount by which the unpaid rent for the balance of the term of this Permit exceeds the amount of such rental loss for the same period that Tenant proves could have been reasonably avoided. Any default in Tenant's obligations to make payments to City under the terms of any berth assignment, lease, permit or other agreement, when such default involves the sum of Five Hundred Dollars (\$500.00) or more, shall constitute a material default on the part of Tenant with respect to this Permit. At any time Tenant has defaulted on payments due under other agreements with City, City may give Tenant a default notice and this Permit may be forfeited if the default in rental payments of such other agreements, including, but not limited to, berth assignments, leases and permits, is not cured within the time stated in said notice.

11. Effect of Nonuse. Tenant shall commence using the premises for the purposes permitted herein within thirty (30) days from the effective date hereof. If Tenant shall fail thereafter to use the premises or any substantial portion

thereof for a period of thirty (30) consecutive days, this Permit shall cease and terminate and be forfeited unless Tenant, prior to the expiration of any such period of thirty (30) consecutive days, notifies Executive Director in writing that such nonuse is temporary and obtains the written consent of Executive Director to such nonuse.

12. Restoration and Hazardous Materials Management. Upon the termination of this Permit other than by forfeiture, Tenant shall quit and surrender possession of the premises to City and shall, without cost to City, remove any and all works, structures and other improvements located thereon, except works, structures or other improvements owned by City, and restore the premises to the same or as good condition, ordinary wear and tear excepted, as the same were in at the time of the first occupancy thereof by Tenant or its assignors, if any, under this or any prior permit or lease. "Ordinary wear and tear" does not permit Tenant to damage paving or to contaminate the premises with any material handled at the premises. Executive Director may, at his or her option, accept all or a portion of the works, structures, or other improvements on behalf of City in lieu of all or a portion of the removal or restoration required herein. Tenant shall leave the premises free from contamination of hazardous substance or hazardous waste including hazardous liquid bulk products and petroleum products (hereinafter sometimes collectively referred to as "hazardous materials") as defined below. Tenant shall leave the surface of the ground in a level, graded condition with no excavations, holes, hollows, hills or humps.

13. Hazardous Materials. Tenant may not handle, use, store, transport, transfer, receive or dispose of, or allow to remain on the premises (hereinafter collectively referred to as "handle") any substance classified as a hazardous material under any federal, state, local law or ordinance (hereinafter sometimes collectively referred to in this Permit as "law") in such quantities as would require the reporting of such activity to any person or agency having jurisdiction thereof without first receiving written permission of City. If Tenant has handled material on the premises classified by law as hazardous [Tenant's attention is particularly called to the Resource Conservation and Recovery Act of 1967 ("RCRA"), 42 U.S.C. Sec. 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), 42 U.S.C. Sec. 9601, et seq.; the Clean Water Act, 33 U.S.C. Sec. 1251 et seq.; the Clean Air Act, 42 U.S.C. Sec. 7901 et seq.; California Health & Safety Code Sec. 25300 et seq. and Sec. 25100 et seq.; California Water Code Sec. 13000 et seq.; California Administrative Code, Title 22, Division 4, Chapter 30, Article 4; Title 49 CFR 172.101; Title 40 CFR Part 302 and any amendments to these provisions or successor provisions] and such material has contaminated or threatens to contaminate the premises or adjacent premises (including structures, harbor waters, soil or groundwater), Tenant, to the extent obligated by law and to the extent necessary to satisfy City, shall at its own expense perform soil and groundwater tests to determine the extent of such contamination, and shall immediately remediate from the premises any such material. If in the determination of the Executive Director such hazardous material cannot be remediated on site to the satisfaction of City, Tenant shall remove and properly dispose of all contaminated soil, material or groundwater and replace such soil or material with clean soil or material suitable to City.

If during Tenant's occupancy hazardous materials are discovered on the premises or such materials have migrated to or threaten to contaminate adjacent premises (including structures, harbor waters, soil or groundwater), Tenant shall immediately notify the City, and Tenant, at its sole expense, shall perform such soil and groundwater testing as required by law and as City deems necessary and take immediate steps to remediate the premises to the satisfaction of City.

If Tenant disposes of any soil, material or groundwater contaminated with hazardous material, Tenant shall provide City copies of all records, including a copy of each uniform hazardous waste manifest indicating the quantity and type of material being disposed of, the method of transportation of the material to the disposal site and the location of the disposal site. The name of the City of Los Angeles shall not appear on any manifest document as a generator of such material.

Any tests required of Tenant by this Section shall be performed by a State of California Department of Health Services certified testing laboratory satisfactory to City. By signing this Permit, Tenant hereby irrevocably directs any such laboratory to provide City, upon written request from City, copies of all of its reports, test results, and data gathered. As used in this Permit, the term "Tenant" includes agents, employees, contractors, subcontractors, and/or invitees of the Tenant.

14. Rent During Restoration. Tenant understands and agrees it is responsible for complete restoration of the premises, including the clean up of any hazardous material contamination on or arising from the premises before the expiration or earlier termination of this Permit. If, for any reason, such restoration is not completed before such expiration, then Tenant is obligated to pay City compensation during such restoration as determined by the then fair market value of the land and the Harbor Department's then established rate of return; however, the new rent shall not be less than provided in Section 4. Tenant also agrees to provide City a surety bond to assure removal of hazardous material from the premises if at any time City demands such bond. Tenant's breach of any of the provisions of this Section shall entitle City to forfeit this Permit.

15. Site Restoration Plan. Upon request of Executive Director, Tenant shall provide City a site characterization study and site restoration plan in a form acceptable to City and at Tenant's expense as directed by City.

The study and plan shall demonstrate to City's satisfaction that the premises have not been contaminated or that, if contamination exists, Tenant will remove it to the satisfaction of City.

16. Tanks. Within thirty (30) days from the commencement of the term of this Permit, Tenant, at its expense, shall submit to City an inventory of all storage tanks located on the premises indicating the number of tanks, type (atmospheric, etc.), contents, capacity, past historical use, location and the date each tank was last tested for structural integrity and leaks. Tenant shall also, at its sole expense, when required by law or when deemed necessary by the Executive Director or his or her designee, test all storage tanks located on the premises for structural integrity and leaks. Upon written request, Tenant shall make available to City the results of all such tests. Testing required herein shall be to the satisfaction of City and in conformance with applicable federal, state or local laws, rules, regulations or ordinances as these provisions presently exist, or as they may be amended or enacted. If during Tenant's occupancy of the premises a tank or the pipelines servicing a tank containing hazardous material are discovered to be leaking, Tenant shall immediately notify the City and take all steps necessary to repair the tank and/or pipelines and clean up the contaminated area to the satisfaction of City and in accordance with all applicable law.

17. Use for Tideland Purposes. This Permit is subject to the limitations, conditions, restrictions and reservations of the Tidelands Act, Stats. 1929, Ch. 651, as amended and/or reenacted, and the Charter of City relating to such lands, including particularly Article VI. Tenant agrees to use the premises only in such manner as will be consistent therewith.

18. Federal Maritime Commission. Tenant shall not use the premises or furnish any facilities or services thereon for or in connection with a common carrier by water as that term is defined in the Shipping Act of 1916 and 1984, as amended, unless and until this Permit has been submitted to the Federal Maritime Commission and has become effective or determined not to be subject to said Acts.

19. Improvements. Tenant shall not construct on or alter the premises, including a change in the grade, without first submitting to Harbor Engineer a complete set of drawings, plans and specifications of the proposed construction or alteration and obtaining his approval in a written Harbor Engineer's General Permit. Harbor Engineer shall have the right to reject or order changes in said drawings, plans and specifications. Tenant, at its own expense, shall obtain all permits necessary for such construction. All construction by Tenant pursuant to this Permit shall be at Tenant's sole expense. Tenant shall keep the premises free and clear of liens for labor and materials and shall hold City harmless from any responsibility in respect thereto.

20. Construction. Tenant shall give written notice to Harbor Engineer, in advance, of the date it will commence any construction. Immediately upon the completion of the construction, Tenant shall notify Harbor Engineer of the date of such completion and shall, within thirty (30) days after such completion, file with Harbor Engineer, in a form acceptable to Harbor Engineer, a set of "as built" plans for such construction.

21. Indemnity. As partial consideration for City's grant of the premises to Tenant, Tenant agrees to at all times relieve, indemnify, protect and save harmless City and any and all of its boards, officers, agents and employees from any and all claims and demands, actions, proceedings, losses, liens, costs and judgments of any kind and nature whatsoever, including expenses incurred in defending against legal actions, for death of or injury to persons or damage to property including property owned by or under the care and custody of City, and for civil fines and penalties, that may arise from or be caused directly or indirectly by:

(a) Any dangerous, hazardous, unsafe or defective condition of, in or on the premises, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the premises by Tenant, its officers, agents, employees, sublessees, licensees or invitees;

(b) Any operation conducted upon or any use or occupation of the premises by Tenant, its officers, agents, employees, sublessees, licensees or invitees under or pursuant to the provisions of this Permit or otherwise;

(c) Any act, omission or negligence of Tenant, its officers, agents, employees, sublessees, licensees or invitees, regardless of whether any act, omission or negligence of City, its officers, agents or employees contributed thereto;

(d) Any failure of Tenant, its officers, agents or employees to comply with any of the terms or conditions of this Permit or any applicable federal, state, regional, or municipal law, ordinance, rule or regulation; or

(e) The conditions, operations, uses, occupations, acts, omissions or negligence referred to in subdivisions (a), (b), (c) and (d) above, existing or conducted upon or arising from the use or occupation by Tenant or its invitees of any other premises within the Harbor District, as defined in the Charter of City.

Tenant also agrees to indemnify City and pay for all damage or loss suffered by City and the Harbor Department, including, but not limited to, damage to or loss of property, to the extent not insured by City, and loss of City revenue from any source, caused by or arising out of the conditions, operations, uses, occupations, acts, omissions or negligence referred to in subdivisions (a), (b), (c), (d) and (e) above. The term "persons" as used herein shall include, but not be limited to, officers and employees of Tenant. Tenant acknowledges that the City has set the compensation payable under this Permit in consideration of the indemnity and insurance obligations which Tenant assumes by this Permit.

Tenant shall also indemnify, defend and hold City harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution of value of the premises, damages for loss or restriction on use of rentable or useable space or of any amenity of the premises, damages arising from any adverse impact on marketing of space, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Permit term as a result of contamination of the premises by hazardous materials for which Tenant is otherwise responsible for under the terms of this Permit. This indemnification of City by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency because of hazardous material present in the soil or groundwater on or under the premises. The foregoing indemnity shall survive the expiration or earlier termination of this Permit.

22. Insurance. Tenant shall procure and maintain at its expense and keep in force at all times during the term of this Permit broad form comprehensive general liability and property damage insurance including automobile and contractual liability assumed coverages written by an insurance company authorized to do business in the State of California rated VII, A- or better in Best's Insurance Guide (or an alternate guide acceptable to City if a Best's Rating is not available) with Tenant's normal limits of liability but not less than One Million Dollars (\$1,000,000) combined single limit for injury, death or property damage arising out of each accident or occurrence unless Executive Director allows or requires a different limit of liability. If the submitted policy contains an aggregate limit, this limit must be satisfactory to Executive Director or his or her designee. Said limits shall be without deduction, provided that Executive Director or his or her designee may permit a deductible amount in those cases where, in his or her judgment, such a deductible is justified. The insurance provided shall contain a severability of interest clause assuring that damage to City property or injury to City personnel are covered by the insurance. In all cases, regardless of any deductible, said insurance shall contain a defense of suits provision which assures the carrier will defend the City if any suit arises related to Tenant's occupation of the premises or such suit is within the scope of Tenant's indemnity allegation as set forth in Section 21. If Tenant operates watercraft or incurs other marine liability exposures or operates vehicles as part of its business in the Port, liability coverage for such watercraft or vehicles must be provided as above. The submitted policy shall contain endorsements substantially as follows:

(a) "Notwithstanding any inconsistent statement in the policy to which this endorsement is attached, or any endorsement or certificate now or hereafter attached hereto, it is agreed that the City of Los Angeles, its Board of Harbor Commissioners, their officers, agents and employees, are additional insureds hereunder, and that coverage is provided for all operations, uses, occupations, acts and activities of the insured under its revocable permit issued by the City, and under any amendments, modifications, extensions or renewals thereof regardless of whether such operations, uses, occupations, acts and activities occur on the premises or elsewhere within the Harbor District, and regardless of whether liability is attributable to the named insured or a combination of the named insured and the additional insured. It is understood that the additional insured will not be responsible for the payment of premium under the policy;

(b) "The policy to which this endorsement is attached shall not be cancelled or reduced in coverage until after the Executive Director and the City Attorney of City have each been given thirty (30) days' prior written notice by certified mail addressed to P.O. Box 151, San Pedro, California 90733-0151;

(c) "The coverage provided by the policy to which this endorsement is attached is primary coverage and any other insurance carried by City is excess of this insurance and shall not contribute with it;

(d) "If one of the named insureds incurs liability to any other of the named insureds, this policy shall provide protection for each named insured against whom claim is or may be made, including claims by other named insureds, in the same manner as if separate policies had been issued to each named insured. Nothing contained herein shall operate to increase the company's limit of liability; and

(e) "Notice of occurrences or claims under the policy shall be made to [This information is to be supplied by the Tenant's insurance carrier when submitting the Endorsement to the Harbor Department. The information to be supplied is the name, address and phone number of the person representing the carrier to be notified at the time of any accident.]"

The Executive Director and City Attorney shall have the discretion to modify the insurance requirements as they deem appropriate if the circumstances warrant a modification.

23. Fire Legal Liability Insurance. Tenant shall also secure and maintain, either by an endorsement thereto or by a separate policy, fire legal liability insurance covering legal liability of Tenant for damage or destruction to the works, structures and improvements owned by City. This policy shall be in an amount sufficient to cover the replacement value of the City structure occupied by Tenant but need not exceed the value of the deductible in the City's fire insurance policy provided, that upon thirty (30) days' prior written notice to Tenant, said minimum limits of liability shall be subject to adjustment by Executive Director to conform with the deductible amount of the fire insurance policy maintained by Board. Currently this deductible is Two Hundred Fifty Thousand Dollars (\$250,000). So long as City's insurance policy permits City to waive any cause of action it and the City's insurance carrier would otherwise have for a fire caused by Tenant, City agrees to such waiver provided Tenant provides the insurance required by this Section. City should not be named as an additional insured in Tenant's fire legal policy.

24. Duplicate Insurance Policies. Tenant shall furnish two (2) signed copies of each policy or certificate required herein for approval by the Risk Manager of City.

25. Modifications to Insurance. Executive Director, based upon advice of independent insurance consultants of City, may increase or decrease the amounts and types of insurance coverage required herein by this Permit by giving sixty (60) days' written notice to Tenant.

26. Assignments/Subleases. No assignment, sublease, transfer, gift, hypothecation or grant of control, or other encumbrance of this Permit, or any interest therein or any right or privilege thereunder, whether voluntary or by operation of law, shall be valid for any purpose. For purposes of this subsection, the term "by operation of law" includes:

- (a) The placement of all or substantially all of Tenant's assets in the hands of a receiver or trustee;
- (b) An assignment by Tenant for the benefit of creditors.

27. Transfer of Stock. If Tenant is a corporation and more than ten percent (10%) of the outstanding shares of capital stock of Tenant is traded during any calendar year after filing its application for this Permit, Tenant shall notify Executive Director in writing within ten (10) days after the transfer date; provided, however, that this provision shall have no application in the event the stock of Tenant is listed on either the American Stock Exchange, the New York Stock Exchange, or the NYSE Arca Options. If more than twenty-five percent (25%) of the Tenant's stock is transferred, regardless of whether Tenant is a publicly or privately held entity, such transfer shall be deemed an assignment within the meaning of the preceding paragraph. Any such transfer shall void this Permit. Such a transfer is agreed to be a breach of this Permit which shall entitle City to evict Tenant on at least seven (7) days' notice.

28. Signs. Tenant shall not erect or display, or permit to be erected or displayed, on the premises any signs or advertising matter of any kind without first obtaining the written consent of Executive Director. Tenant shall post, erect and maintain on the premises such signs as Executive Director may direct.

29. Termination for Misrepresentations. This Permit is granted pursuant to an application filed by Tenant with Board. If the application or any of the attachments thereto contain any misstatement of fact which, in the judgment of Executive Director, affected his or her decision to grant said Permit, Executive Director may terminate this Permit. Termination pursuant to this Section shall not be termination by forfeiture.

30. Laws and Directives. Tenant shall comply with all applicable laws, ordinances and regulations. In addition, Tenant shall comply immediately with any and all directives issued by Executive Director or his or her authorized representative under authority of any such law, ordinance or regulation. This Permit shall be construed in accordance with California law.

31. Possessory Interest. THIS PERMIT MAY CREATE A POSSESSORY INTEREST BY TENANT WHICH MAY BE SUBJECT TO PROPERTY TAXATION. TENANT SHALL PAY ALL SUCH TAXES SO ASSESSED, AND ALL OTHER ASSESSMENTS OF WHATEVER CHARACTER LEVIED UPON ANY INTEREST CREATED BY THIS PERMIT. TENANT SHALL ALSO PAY ALL LICENSE AND PERMIT FEES REQUIRED FOR THE CONDUCT OF ITS OPERATIONS.

32. Utility Charges. Unless otherwise provided for herein, Tenant shall pay all charges for services furnished to the premises or used in connection with its occupancy, including, but not limited to, heat, gas, power, telephone, water, light and janitorial services, and pay all deposits, connection fees, charges and meter rentals required by the supplier of any such service, including City.

33. Termination by Court. If any court having jurisdiction in the matter renders a final decision which prevents the performance by City of any of its obligations under this Permit, then either party hereto may terminate this Permit by written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations) shall thereupon terminate.

34. Conflict of Interest. It is understood and agreed that the parties to this Permit have read and are aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflict of interest of public officers and employees, as well as the Conflict of Interest Code of the Harbor Department. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of City relating to this Permit. Notwithstanding any other provision of this Permit, it is further understood and agreed that if such a financial interest does exist at the inception of this Permit, City may immediately terminate this Permit by giving written notice thereof. Termination pursuant to this Section shall not be termination by forfeiture.

35. Service of Notice. In all cases where written notice including the service of legal pleadings is to be given under this Permit, service shall be deemed sufficient if said notice is deposited in the United States mail, postage prepaid or delivered to the Permit premises. When so given, such notice shall be effective from the date of mailing. Unless changed by notice in writing from the respective parties, notice to City shall be addressed to Executive Director, Los Angeles Harbor Department, P.O. Box 151, San Pedro, California 90733-0151; and notice to Tenant shall be addressed to it at the address stated in the preamble or at such address designated by Tenant in writing. Nothing herein contained shall preclude or render inoperative service of such notice in the manner provided by law. All notice periods under this Permit refer to calendar days unless otherwise specifically stated.

36. No Waivers. No waiver by either party at any time of any terms or conditions of this Permit shall be a waiver at any subsequent time of the same or any other term or condition. The acceptance of late rent by Board shall not be deemed a waiver of any other breach by Tenant of any term or condition of this Permit other than the failure of Tenant to timely make the particular rent payment so accepted.

37. Immediate Access to Repair/Maintain Premises. Tenant is aware that the City Department of Water & Power or Harbor Department maintenance personnel may need to service or repair facilities on the premises. If such repair is necessary, Tenant agrees to relocate, at its expense, all of its cargo equipment or personal property to provide Department of Water & Power or Harbor Department personnel adequate access. Tenant agrees to complete such relocation within six (6) hours of receiving notice from City. Tenant agrees neither Department of Water & Power nor City shall be responsible for any loss Tenant may suffer as a result of such maintenance or repair.

38. Time of the Essence. Time is of the essence in this Permit.

39. Nondiscrimination and Affirmative Action Provisions. Tenant agrees not to discriminate in its employment practices against any employee or applicant for employment because of employee's or applicant's race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status or medical condition. All subcontracts awarded under or pursuant to this Permit shall contain this provision.

The applicable provisions of Section 10.8 et seq. of the Los Angeles Administrative Code are set forth in the attached Exhibit "C" and are incorporated herein by this reference.

40. Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Outreach Program. It is the policy of the City to provide minority business enterprises (MBEs), women's business enterprises (WBEs), and all other business enterprises (OBEs) an equal opportunity to participate in the performance of all City contracts in all areas where such contracts afford such participation opportunities. The Tenant or Consultant shall assist the City in implementing this policy and shall use its best efforts to afford the opportunity for MBEs, WBEs, and OBEs to achieve participation in subcontracts where such participation opportunities present themselves and attempt to ensure that all available business enterprises, including MBEs, WBEs, and OBEs, have an equal opportunity to compete for and participate in any such participation opportunity which might be presented under this Permit.

41. Wilmington Truck Route. It is recognized by both parties that Tenant does not directly control the trucks serving the terminal. However, Tenant will make its best effort to notify truck drivers, truck brokers and trucking companies, that trucks serving the terminal must confine their route to the designated Wilmington Truck Route of Alameda Street and Harry Bridges Boulevard; Figueroa Street from Harry Bridges Boulevard to "C" Street; and Anaheim Street east of Alameda Street. A copy of the Wilmington Truck Route is attached hereto and marked Exhibit "D," which may be modified from time to time at the sole discretion of the Executive Director with written notice to Tenant.

42. Paragraph Headings. Paragraph headings used in the Permit are merely descriptive and not intended to alter the terms and conditions of the paragraphs.

43. Prior Permits. This Revocable Permit shall supersede Revocable Permit No. 1212. From and after the effective date of this Revocable Permit, said permit shall have no further force or effect except to the extent either party has accrued any rights or obligations under said permit.

44. Business Tax Registration Certificate. The City of Los Angeles Office of Finance requires the implementation and enforcement of Los Angeles Municipal Code Section 21.09 et seq. This section provides that every person, other than a municipal employee, who engages in business within the City of Los Angeles, is required to obtain the

necessary Business Tax Registration Certificate and pay business taxes. The City Controller has determined that this Code Section applies to consulting firms that are doing work for the Los Angeles Harbor Department.

45. Additions. There is attached to this Permit an addendum, consisting of numbered Sections 47-52, inclusive, the provisions of which are made a part of this Permit as though set forth herein in full.

46. Deletions. Section five (5) is deleted and is not to be considered as constituting a part of this Permit, and it is so marked.

DATED: 2/23/2011

CITY OF LOS ANGELES,
HARBOR DEPARTMENT.

Anthony M. Massey
Executive Director

(SEAL)

APPROVED:

BOARD OF HARBOR COMMISSIONERS

Secretary

The undersigned Tenant hereby accepts the foregoing Permit and agrees to abide and be bound by and to observe each and every of the terms and conditions thereof, including those set forth in the addendum, if any, and excluding those marked as being deleted.

DATED: 2/23/11

(SEAL)

RANCHO LPG HOLDINGS, LLC

By: Lawrence J. Dreyfuss JK
Lawrence J. Dreyfuss
Vice President
Type/Print Name and Title

Attest: Ann G. Mulligan
Ann G. Mulligan
Assistant Secretary
Type/Print Name and Title

APPROVED AS TO FORM

2/15/2011
CARMEN A. TRUTANICH, City Attorney

By: Heather M. McCloskey
HEATHER M. McCLOSKEY, Deputy

HMM:aw
6/17/10

ADDENDUM TO REVOCABLE PERMIT NO. 10-05

47. Service Contractor Worker Retention Policy and Living Wage Policy Requirements. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 5771 on January 3, 1999, agreeing to adopt the provisions of Los Angeles City Ordinance No. 171004 relating to Service Contractor Worker Retention (SCWR), Section 10.36 et seq. of the Los Angeles Administrative Code, as the policy of the Harbor Department. Further, Charter Section 378 requires compliance with the City's Living Wage requirements as set forth by ordinance, Section 10.37 et seq. of the Los Angeles Administrative Code. Tenant shall comply with the policy wherever applicable. Violation of this provision, where applicable, shall entitle the City to terminate this Permit and otherwise pursue legal remedies that may be available.

48. Wage and Earnings Assignment Orders/Notices of Assignments. The Tenant is obligated to fully comply with all applicable state and federal employment reporting requirements for the Tenant and/or its employees.

The Tenant shall certify that the principal owner(s) are in compliance with any Wage and Earnings Assignment Orders and Notices of Assignments applicable to them personally. The Tenant will fully comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments in accordance with California Family Code §§ 5230 et seq. The Tenant will maintain such compliance throughout the term of this Permit.

49. Equal Benefits Policy. The Board of Harbor Commissioners of the City of Los Angeles adopted Resolution No. 6328 on January 12, 2005, agreeing to adopt the provisions of Los Angeles City Ordinance No. 172,908, as amended, relating to Equal Benefits, Section 10.8.2.1 et seq. of the Los Angeles Administrative Code, as a policy of the Harbor Department. Tenant shall comply with the policy wherever applicable. Violation of the policy shall entitle the City to terminate any agreement with Tenant and pursue any and all other legal remedies that may be available. See Exhibit "E."

50. State Tidelands Grants. This Permit is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Permit is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929, (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Tenant agrees that any interpretation of this Permit and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

51. Workers' Compensation. Tenant shall secure the payment of compensation to employees injured while performing work or labor necessary for and incidental to performance under this Permit in accordance with Section 3700 of the Labor Code of the State of California. Tenant shall file with the City one of the following: 1) a certificate of consent to self-insure issued by the Director of Industrial Relations, State of California; 2) a certificate of Workers' Compensation insurance issued by an admitted carrier; or 3) an exact copy or duplicate thereof of the policy certified by the Director or the insurer. Such documents shall be filed prior to delivery of premises. Where Tenant has employees who are covered by the United States Longshore and Harbor Workers' Compensation Act, Tenant shall furnish proof of such coverage to the City. It is suggested that Tenant consult its insurance agent to determine whether its proposed construction methods will render its employees subject to coverage under the Act. All Workers' Compensation insurance submitted to City shall include an endorsement providing that any carrier paying benefits agrees to waive any right of subrogation it may have against the City.

52. Railroad Protective Liability Insurance

The Contractor shall also provide a policy of Railroad Protective Liability Insurance in which Pacific Harbor Line (PHL) acting for itself and its railroad users are named insureds and the City of Los Angles, its boards, officers, agents and employees are included as additional insureds with Contractor. The minimum limits of Railroad Protective Liability Insurance shall be the limits normally carried by the Contractor but not less than Two Million Dollars (\$2,000,000) combined single limit for property damage and bodily injury including death. If the submitted policies contain aggregate limits the Contractor shall provide evidence of insurance protection for such limits so that the required coverage is not diminished in the event that the aggregate limits become exhausted. Said limit shall be without deduction, provided that the Executive Director or designee may permit a deductible amount when it is justified by the financial capacity of Contractor. Any deductible amount permitted by the Executive Director shall be paid solely by Contractor.

Contractor's comprehensive general liability coverage shall also have the railroad exclusion deleted.

S/L of land described in O.R. Book D5227, Page 675

TRACT

NO.
MAPS, BOOK 44, PAGES 91 to 94 incl.

3192

WESTMONT
73' DRIVE

GAFFEY

PARCEL NO. 1
6,477 SQ.FT.

N74°23'32"E

N81°47'35"E

ST.



SW'ly cor. of PARCEL 1 described in
O.R. Book 4819-389

SCALE: 1'50'	DATE	RECOMMENDED FOR APPROVAL
DRAWN 020	7-26-74	CHIEF OF DESIGN
CHECKED VEH	7-27-74	E.P. (Signature)
DEBONED		

PERMIT MAP FOR
PETROLANE

PORT OF LOS ANGELES

WATER PORT ENGINEER ENGINEERING DIVISION P.O. BOX 111, SAN PEDRO, CALIF.

DRAWING NUMBER
5-4327

PRINTED ON DIETERICH-POST CLEARPRINT 1000H-8

EXHIBIT A

**MARINE TERMINAL MAINTENANCE PROVISIONS
FOR ALL LEASE AGREEMENTS**

I. Structural Maintenance & Repair Performed by City at City's Expense* Within Lease Area

1. Roofs
2. Exteriors of structures, including exterior painting
3. Wharf structure (as defined)
4. Wharf bulkheads
5. Rock slopes
6. Maintenance dredging
7. Replacement of deteriorated electrical conduit and pipeline system
8. High and low voltage systems, including switchgear and crane power trench
9. Fire protection sprinkler systems, fire hydrant systems, standpipe systems, fire alarm systems

II. Maintenance & Repair Performed by City at Tenant's Expense Within Lease Area

1. Fender system repair (wharf damage procedure)
2. Refrigerated receptacle outlet (reefer) maintenance
3. Backflow devices and potable water systems
4. HVAC servicing and repair

III. Operational Maintenance & Repair to be Performed by the Tenant. Port Will Perform if Forces Available by Accommodation Work Order Within Leased Area at Tenant's Expense. Tenant, However, Remains Responsible for Sufficiency of All Work.

This portion of the Exhibit describes the maintenance and repair of items commonly found on terminal premises granted to Tenants. Not all items listed below may be present on all terminal premises. This list is only illustrative of the items which Tenant must maintain.

1. All landscaping, including irrigation systems
2. Daily janitorial service***
3. Relamping of terminal wharf and backland light standards**
4. Interior painting
5. Elevator and escalator maintenance**
6. Clarifier maintenance & servicing***
7. All toxic waste removal***
8. Storm drain inlet maintenance and cleaning
9. Cleaning clogged drains, including toilet/urinal stoppages
10. Pneumatic tube system maintenance**
11. Emergency generator unit maintenance**
12. Mooring capstans
13. Mechanical ramps and loading dock boards
14. Passenger gantries**, baggage systems**, conveyor systems**
15. Replacement of all light bulbs
16. Traffic and backland area striping (requires permit & approval by Harbor Engineer)
17. Weigh scales**
18. Wheel stop maintenance
19. Fence and gate maintenance
20. Rolling and sliding door maintenance
21. Window, door glass replacement
22. Carpet, tile, and vinyl floor replacements
23. All mechanical, electrical, hydraulic and air equipment and devices used by Tenant to maintain Tenant-owned machinery and equipment
24. Gate house equipment, including gate arms and mechanical/electrical equipment therein
25. Recharging and servicing of fire extinguishers
26. Surface paving, wharf and backland (as defined in Permit)
27. All underground and above ground tanks, pipelines and appurtenances unless the Permit specifically otherwise provides

* To be maintained at Tenant's expense, if damaged by Tenant

** To be maintained to Port's standards and subject to periodic audits and inspection by the Port of Los Angeles

*** At no time does Port provide or perform

IV. City May, But is Not Obligated to, Maintain or Repair Items Tenant Fails to Maintain or Repair at Tenant's Expense

EXHIBIT B

AFFIRMATIVE ACTION PROGRAM PROVISIONS

Sec. 10.8.4 Affirmative Action Program Provisions.

Every non-construction contract with or on behalf of the City of Los Angeles for which the consideration is \$100,000 or more and every construction contract with or on behalf of the City of Los Angeles for which the consideration is \$5,000 or more shall contain the following provisions which shall be designated as the AFFIRMATIVE ACTION PROGRAM provisions of such contract:

- A. During the performance of City contract, the contractor certifies and represents that the contractor and each subcontractor hereunder will adhere to an affirmative action program to ensure that in its employment practices, persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
 - 1. This provision applies to work or services performed or materials manufactured or assembled in the United States.
 - 2. Nothing in this section shall require or prohibit the establishment of new classifications of employees in any given craft, work or service category.
 - 3. The contractor shall post a copy of Paragraph A hereof in conspicuous places at its place of business available to employees and applicants for employment.
- B. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to their race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- C. As part of the City's supplier registration process, and/or at the request of the awarding authority or the Office of Contract Compliance, the contractor shall certify on an electronic or hard copy form to be supplied, that the contractor has not discriminated in the performance of City contracts against any employee or applicant for employment on the basis or because of race, religion, ancestry, national origin, sex, sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
- D. The contractor shall permit access to and may be required to provide certified copies of all of its records pertaining to employment and to its employment practices by the awarding authority or the Office of Contract Compliance, for the purpose of investigation to ascertain compliance with the Affirmative Action Program provisions of City contracts, and on their or either of their request to provide evidence that it has or will comply therewith.

AFFIRMATIVE ACTION PROGRAM PROVISIONS

- E. The failure of any contractor to comply with the Affirmative Action Program provisions of City contracts may be deemed to be a material breach of contract. Such failure shall only be established upon a finding to that effect by the awarding authority, on the basis of its own investigation or that of the Board of Public Works, Office of Contract Compliance. No such finding shall be made except upon a full and fair hearing after notice and an opportunity to be heard has been given to the contractor.
- F. Upon a finding duly made that the contractor has breached the Affirmative Action Program provisions of a City contract, the contract may be forthwith cancelled, terminated or suspended, in whole or in part, by the awarding authority, and all monies due or to become due hereunder may be forwarded to and retained by the City of Los Angeles. In addition thereto, such breach may be the basis for a determination by the awarding authority or the Board of Public Works that the said contractor is an irresponsible bidder or proposer pursuant to the provisions of Section 371 of the Los Angeles City Charter. In the event of such determination, such contractor shall be disqualified from being awarded a contract with the City of Los Angeles for a period of two years, or until he or she shall establish and carry out a program in conformance with the provisions hereof.
- G. In the event of a finding by the Fair Employment and Housing Commission of the State of California, or the Board of Public Works of the City of Los Angeles, or any court of competent jurisdiction, that the contractor has been guilty of a willful violation of the California Fair Employment and Housing Act, or the Affirmative Action Program provisions of a City contract, there may be deducted from the amount payable to the contractor by the City of Los Angeles under the contract, a penalty of TEN DOLLARS (\$10.00) for each person for each calendar day on which such person was discriminated against in violation of the provisions of a City contract.
- H. Notwithstanding any other provisions of a City contract, the City of Los Angeles shall have any and all other remedies at law or in equity for any breach hereof.
- I. The Public Works Board of Commissioners shall promulgate rules and regulations through the Office of Contract Compliance and provide to the awarding authorities electronic and hard copy forms for the implementation of the Affirmative Action Program provisions of City contracts, and rules and regulations and forms shall, so far as practicable, be similar to those adopted in applicable Federal Executive Orders. No other rules, regulations or forms may be used by an awarding authority of the City to accomplish this contract compliance program.
- J. Nothing contained in City contracts shall be construed in any manner so as to require or permit any act which is prohibited by law.
- K. The Contractor shall submit an Affirmative Action Plan which shall meet the requirements of this chapter at the time it submits its bid or proposal or at the time it

AFFIRMATIVE ACTION PROGRAM PROVISIONS

registers to do business with the City. The plan shall be subject to approval by the Office of Contract Compliance prior to award of the contract. The awarding authority may also require contractors and suppliers to take part in a pre-registration, pre-bid, pre-proposal, or pre-award conference in order to develop, improve or implement a qualifying Affirmative Action Plan. Affirmative Action Programs developed pursuant to this section shall be effective for a period of twelve

months from the date of approval by the Office of Contract Compliance. In case of prior submission of a plan, the contractor may submit documentation that it has an Affirmative Action Plan approved by the Office of Contract Compliance within the previous twelve months. If the approval is 30 days or less from expiration, the contractor must submit a new Plan to the Office of Contract Compliance and that Plan must be approved before the contract is awarded.

1. Every contract of \$5,000 or more which may provide construction, demolition, renovation, conservation or major maintenance of any kind shall in addition comply with the requirements of Section 10.13 of the Los Angeles Administrative Code.
2. A contractor may establish and adopt as its own Affirmative Action Plan, by affixing his or her signature thereto, an Affirmative Action Plan prepared and furnished by the Office of Contract Compliance, or it may prepare and submit its own Plan for approval.

L. The Office of Contract Compliance shall annually supply the awarding authorities of the City with a list of contractors and suppliers who have developed Affirmative Action Programs. For each contractor and supplier the Office of Contract Compliance shall state the date the approval expires. The Office of Contract Compliance shall not withdraw its approval for any Affirmative Action Plan or change the Affirmative Action Plan after the date of contract award for the entire contract term without the mutual agreement of the awarding authority and the contractor.

M. The Affirmative Action Plan required to be submitted hereunder and the pre-registration, pre-bid, pre-proposal or pre-award conference which may be required by the Board of Public Works, Office of Contract Compliance or the awarding authority shall, without limitation as to the subject or nature of employment activity, be concerned with such employment practices as:

1. Apprenticeship where approved programs are functioning, and other on-the-job training for non-apprenticeable occupations;
2. Classroom preparation for the job when not apprenticeable;
3. Pre-apprenticeship education and preparation;

AFFIRMATIVE ACTION PROGRAM PROVISIONS

4. Upgrading training and opportunities;
5. Encouraging the use of contractors, subcontractors and suppliers of all racial and ethnic groups, provided, however, that any contract subject to this ordinance shall require the contractor, subcontractor or supplier to provide not less than the prevailing wage, working conditions and practices generally observed in private industries in the contractor's, subcontractor's or supplier's geographical area for such work;
6. The entry of qualified women, minority and all other journeymen into the industry; and
7. The provision of needed supplies or job conditions to permit persons with disabilities to be employed, and minimize the impact of any disability.

N. Any adjustments which may be made in the contractor's or supplier's workforce to achieve the requirements of the City's Affirmative Action Contract Compliance Program in purchasing and construction shall be accomplished by either an increase in the size of the workforce or replacement of those employees who leave the workforce by reason of resignation, retirement or death and not by termination, layoff, demotion or change in grade.

O. Affirmative Action Agreements resulting from the proposed Affirmative Action Plan or the pre-registration, pre-bid, pre-proposal or pre-award conferences shall not be confidential and may be publicized by the contractor at his or her discretion. Approved Affirmative Action Agreements become the property of the City and may be used at the discretion of the City in its Contract Compliance Affirmative Action Program.

P. This ordinance shall not confer upon the City of Los Angeles or any Agency, Board or Commission thereof any power not otherwise provided by law to determine the legality of any existing collective bargaining agreement and shall have application only to discriminatory employment practices by contractors or suppliers engaged in the performance of City contracts.

Q. All contractors subject to the provisions of this section shall include a like provision in all subcontracts awarded for work to be performed under the contract with the City and shall impose the same obligations, including but not limited to filing and reporting obligations, on the subcontractors as are applicable to the contractor. Failure of the contractor to comply with this requirement or to obtain the compliance of its subcontractors with all such obligations shall subject the contractor to the imposition of any and all sanctions allowed by law, including but not limited to termination of the contractor's contract with the City.

(d) Other Options for Compliance. Provided that the Contractor does not discriminate in the provision of Benefits, a Contractor may also comply with the Equal Benefits Ordinance in the following ways:

(1) A Contractor may provide an employee with the Cash Equivalent only if the DAA determines that either:

a. The Contractor has made a reasonable, yet unsuccessful effort to provide Equal Benefits; or

b. Under the circumstances, it would be unreasonable to require the Contractor to provide Benefits to the Domestic Partner (or spouse, if applicable).

(2) Allow each employee to designate a legally domiciled member of the employee's household as being eligible for spousal equivalent Benefits.

(3) Provide Benefits neither to employees' spouses nor to employees' Domestic Partners.

(e) Applicability.

(1) Unless otherwise exempt, a Contractor is subject to and shall comply with all applicable provisions of the Equal Benefits Ordinance.

(2) The requirements of the Equal Benefits Ordinance shall apply to a Contractor's operations as follows:

a. A Contractor's operations located within the City limits, regardless of whether there are employees at those locations performing work on the Contract.

b. A Contractor's operations on real property located outside of the City limits if the property is owned by the City or the City has a right to occupy the property, and if the Contractor's presence at or on that property is connected to a Contract with the City.

c. The Contractor's employees located elsewhere in the United States but outside of the City limits if those employees are performing work on the City Contract.

(3) The requirements of the Equal Benefits Ordinance do not apply to collective bargaining agreements ("CBA") in effect prior to January 1, 2000. The Contractor must agree to propose to its union that the requirements of the Equal Benefits Ordinance be incorporated into its CBA upon amendment, extension, or other modification of a CBA occurring after January 1, 2000.

(f) Mandatory Contract Provisions Pertaining to Equal Benefits. Unless otherwise exempted, every Contract shall contain language that obligates the Contractor to comply with the applicable provisions of the Equal Benefits Ordinance. The language shall include provisions for the following:

(1) During the performance of the Contract, the Contractor certifies and represents that the Contractor will comply with the Equal Benefits Ordinance.

(2) The failure of the Contractor to comply with the Equal Benefits Ordinance will be deemed to be a material breach of the Contract by the Awarding Authority.

(3) If the Contractor fails to comply with the Equal Benefits Ordinance the Awarding Authority may cancel, terminate or suspend the Contract, in whole or in part, and all monies due or to become due under the Contract may be retained by the City. The City may also pursue any and all other remedies at law or in equity for any breach.

(4) Failure to comply with the Equal Benefits Ordinance may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

(5) If the DAA determines that a Contractor has set up or used its Contracting entity for the purpose of evading the intent of the Equal Benefits Ordinance, the Awarding Authority may terminate the Contract on behalf of the City. Violation of this provision may be used as evidence against the Contractor in actions taken pursuant to the provisions of Los Angeles Administrative Code Section 10.40, et seq., Contractor Responsibility Ordinance.

**MINUTES OF THE REGULAR MEETING OF THE
PORT OF LOS ANGELES COMMUNITY ADVISORY COMMITTEE
TUESDAY, NOVEMBER 15, 2011, 5:30PM – 8:00PM
WILMINGTON SENIOR CITIZEN CENTER
1371 EUBANK STREET
WILMINGTON, CA 90744**

H. ACTION ITEM:

October 18, 2011, the PCAC approved the amended recommendation below, which was moved by Pat Nave, second by June Burlingame Smith, and carried with 12 Ayes, 4 Nays and 4 Abstentions.

RECOMMENDATION:

Whereas, the PCAC has previously urged the City and the Port to relocate the Amerigas/Rancho Liquid Propane Gas (LPG) facility in San Pedro; and

Whereas, the facility is served by rail tank cars, truck tank cars and pipeline, and stores and distributes liquid propane, butane and other commodities; and

Whereas, substantial numbers of people in the Harbor area are concerned about the risk of hazard due to the facility's aging infrastructure, possibility of earthquake or natural disaster due to its location in an identified seismically active area and adjacent tsunami zone, and a potential target for terrorism in a Port city acknowledged as a likely target site; and

Whereas, the facility has from time to time changed its business operations, and there is concern by many people that there has been inadequate environmental and risk analyses of those changes; and

Whereas, over time, the Los Angeles Harbor Department has become increasingly involved in the operations conducted at the facility, such as by assisting in the transport of product by rail through the Port across Port rail lines, including a portion of the rail line spur accommodating the rail transportation of the commodities pursuant to Revocable Permit No. 10-05 dated February 2011, which appears to allow reasonable inquiry into the rail movements on the parcel subject to the permit; and

Whereas, rail tank cars containing unknown products from other manufacturers and sources other than the Rancho Facility also traverse and are stored on tracks owned by the Port and the railroads; and

Whereas, truck tank vehicles containing unknown products from sources other than the Rancho Facility also travel through our

**MINUTES OF THE REGULAR MEETING OF THE
PORT OF LOS ANGELES COMMUNITY ADVISORY COMMITTEE
TUESDAY, NOVEMBER 15, 2011, 5:30PM – 8:00PM
WILMINGTON SENIOR CITIZEN CENTER
1371 EUBANK STREET
WILMINGTON, CA 90744**

communities, and because they do not originate from Port terminals, are not subject to, for example, the Wilmington truck route plan; and

Whereas, among the data that is available and should be provided to the Port and the community about the rail tank cars and truck tank vehicles is information such as routing, quantity, storage elsewhere in the Port while awaiting further transport, product identification criteria, fire department and hazmat notification procedures, etc.

NOW THEREFORE, be it resolved that the PCAC recommends that the Board of Harbor Commissioners (BHC) direct the Port of LA to revoke Permit No. 10-05 and work with the community and Rancho to perform a Risk Management Plan for the API Storage Tanks, ASME Pressure vessels and rail cars at the facility in accordance with 40CFR68 as well as the transport of product to and from the facility by pipeline, by rail tank car and by truck tank vehicles; and

BE IT RESOLVED, that the PCAC recommends that the BHC direct staff to work with the community and affected tenants and others to perform a risk analysis of transport of products to and through the Port and nearby communities by pipeline, by rail tank car and by truck tank vehicles; and

BE IT RESOLVED, that the BHC establish a working group of persons to assist in examining the risks associated with the operation of the facility and transport of products by rail and truck, including representatives of the Los Angeles Fire Department, United States Geological Service, EPA, university research community, local organizations and the PCAC.

PCAC ACTION:

The Committee approved the Recommendation with 12 Ayes, 3 Nays and 3 Abstentions.

E-mail exchange between Janet Gunter and Geraldine Knatz

Kit Fox

From: Knatz, Geraldine [knatz@portla.org]
Sent: Tuesday, June 05, 2012 8:25 AM
To: 'Janet Gunter'; Huerta, Julie
Cc: MrEnvirlaw@sbcglobal.net; noelweiss@ca.rr.com; jody.james@sbcglobal.net; det310@juno.com; connie@rutter.us; konnica@ca.rr.com; tom@politeo.net; amartinez@nrdc.org; mlinperrella@nrdc.org; dwgkaw@hotmail.com; igornla@cox.net; dan.weikel@latimes.com; Donna.Littlejohn@DailyBreeze.com; paul_h_rosenberg@hotmail.com; djgoldstein@cbs.com; overbid2002@yahoo.com; jnmarquez@prodigy.net; alicia@cbecal.org; billgallegos@cbecal.org; liz@smbaykeeper.org; burling102@aol.com; laura.richardsonmc@mail.house.gov; marisol.espinoza@lacity.org; vzavala@kcet.org; chateau4us@att.net; claudia.r.mcculloch@gmail.com; Kit Fox; brian.campbell@rpv.com; lonna@cope-preparedness.org
Subject: RE: Limit on Public testimony for Rancho Liquid Petroleum Gas Rail Revocation Motion issue on Port Agenda June 7

We are giving 10 minutes to PCAC and 10 minutes to Rancho to start the discussion. Other speakers have 3 minutes.

From: Janet Gunter [mailto:ariane5@aol.com]
Sent: Monday, June 04, 2012 9:19 PM
To: Knatz, Geraldine
Cc: MrEnvirlaw@sbcglobal.net; noelweiss@ca.rr.com; jody.james@sbcglobal.net; det310@juno.com; connie@rutter.us; konnica@ca.rr.com; tom@politeo.net; amartinez@nrdc.org; mlinperrella@nrdc.org; dwgkaw@hotmail.com; igornla@cox.net; dan.weikel@latimes.com; Donna.Littlejohn@DailyBreeze.com; paul_h_rosenberg@hotmail.com; djgoldstein@cbs.com; overbid2002@yahoo.com; jnmarquez@prodigy.net; alicia@cbecal.org; billgallegos@cbecal.org; liz@smbaykeeper.org; burling102@aol.com; laura.richardsonmc@mail.house.gov; marisol.espinoza@lacity.org; vzavala@kcet.org; chateau4us@att.net; claudia.r.mcculloch@gmail.com; kitf@rpv.com; brian.campbell@rpv.com; lonna@cope-preparedness.org
Subject: Limit on Public testimony for Rancho Liquid Petroleum Gas Rail Revocation Motion issue on Port Agenda June 7

I've just been told that the public testimony for this agenda item scheduled for this Thursday at 8:30 am will limit public testimony to 10 minutes pro and 10 minutes con. This item is of immense importance to **public safety** in the communities of San Pedro, Rancho Palos Verdes and Wilmington. It seems that this is extremely unfair to the public, especially in light of the LA City Controller's recent Study results exposing the major deficit of any substantive Emergency & Disaster Preparedness in the City of LA . Please either confirm or deny that this is the situation.

Thank you.

Janet Gunter

Confidentiality Notice

This electronic message transmission contains information from the Port of Los Angeles, which may be confidential. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the content of this information is prohibited. If you have received this communication in error, please notify us immediately by e-mail and delete the original message and any attachment without reading or saving in any manner.

Daily Breeze article regarding outcome of June 7th BHC meeting

Harbor commission rejects proposal for Rancho LPG rail line

By Art Marroquin Staff Writer Daily Breeze

Posted:

DailyBreeze.com

After a two-hour discussion, the Board of Harbor Commissioners on Thursday rejected a proposal to revoke a permit for a rail line connecting the Rancho LPG facility to an interstate railroad system at the Port of Los Angeles.

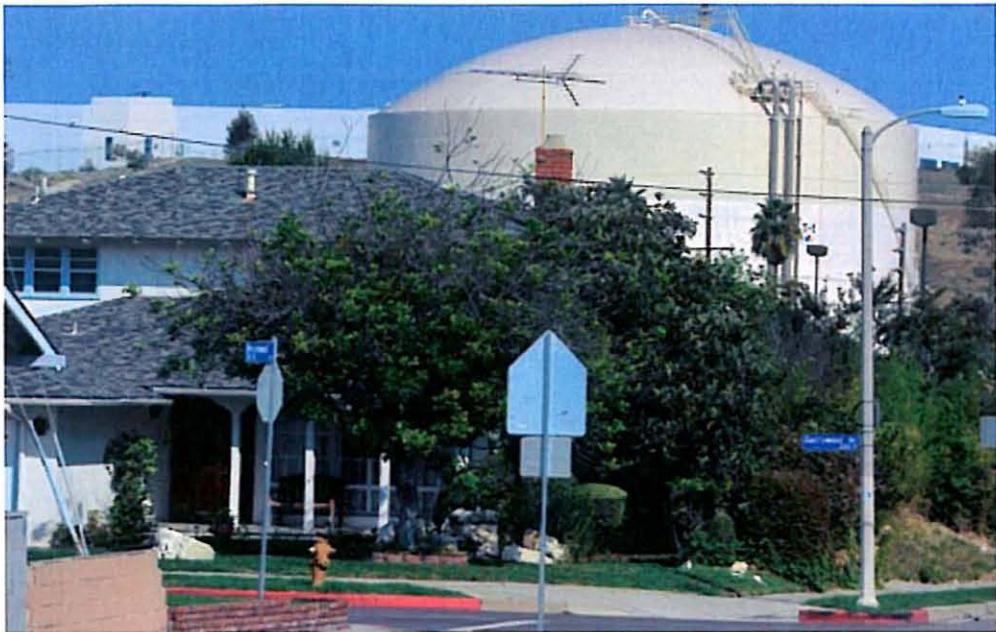
The board also rejected a recommendation by the Los Angeles Community Advisory Committee to perform a risk assessment of the 18-acre, privately owned facility because the study should be completed by state and federal agencies.

The Rancho LPG facility, built in 1973, stores butane and propane in two large, refrigerated, double-walled storage tanks and a series of smaller horizontal tanks scattered on the property.

Port and city officials have repeatedly told opponents that the plant is in compliance and does not pose a danger to the surrounding community.

- Art Marroquin

Meeting flyer and fact sheet for June 21st showing of "Before the Ashes"



Rancho LPG - 2110 No. Gaffey St., San Pedro, CA – Across from Home Depot

WHAT DOES 25 MILLION GALLONS OF LIQUID PETROLEUM GAS MEAN TO THE SAFETY OF YOU.... YOUR FAMILY... AND NEIGHBORHOOD??

**Are YOU in the “Blast Zone”??
Find out Before it is too late!!**

HAVE YOU BEEN FOLLOWING THE CONTROVERSY OVER THE HUGE LIQUID ENERGY GAS TANKS ACROSS FROM HOME DEPOT IN SAN PEDRO? Did you **KNOW** that a Risk Analysis of this operation gives a **WORST CASE IMPACT RADIUS OF 6.8 MILES** (INCORPORATING THE COMMUNITIES OF HARBOR CITY, LOMITA, RANCHO PALOS VERDES, ROLLING HILLS ESTATES, WILMINGTON, CARSON AND LONG BEACH)??? COME SEE THE **SPECIAL SCREENING** OF A 12 MINUTE MOVIE PRESENTATION THAT HOMEOWNERS FIGHTING AGAINST THIS FACILITY HAVE PRODUCED.

"BEFORE THE ASHES"

THURSDAY, JUNE 21, 2012, 7:00 PM

**HOLY TRINITY PARISH CENTER
209 No. Hanford St. – San Pedro**

(parking in lots on Sepulveda, Santa Cruz & Walker Sts.- Enter from Sepulveda lot.)

*****LEARN ABOUT THE ISSUE. MAKE UP YOUR OWN MIND.**

SHOW UP AT THE MEETING WITH LA CITY COUNCILMAN BUSCIANO ON JUNE 27TH- 6PM @TAPER AVE SCHOOL

LET YOUR VOICE BE HEARD! PROTECT YOUR COMMUNITY!

Liquid Petroleum Gas Fact Sheet

Propane and butane are gases at room temperature and pressure.

They are converted to liquids by pressure and/or chilling. **Propane** is kept at pressures about **10 times** atmospheric pressure at Rancho LPG Terminal. (Propane is in the long tanks. There are five of them, each can hold 60,000 gallons for a total of 300,000 gallons.)¹

Butane is stored in Two large cylindrical tanks, of 12,600,000 gallons capacity for a total of over 25 Million Gallons. Butane is stored at 28° F, **3° below its boiling point of 31° F.**

It's also at 7% pressure higher than atmospheric.²

When they are released to the atmosphere, both liquids would quickly become gases, forming a **vapor cloud**.³

Butane and propane would **greatly increase in volume**, more than **230 times** their original volume. (As they do this, they would compress the air to form a destructive pressure wave.)⁴

The contents of one butane tank would overflow the impound basin as it vaporizes; the basin will hold less than **1 %** of the tank's contents, as the liquid vaporizes. The rest of the vapor will flow onto Gaffey Street.⁵

But **both gases are heavier than air**, and would tend to roll out like cold syrup, flowing invisibly along the ground, **rather than rise**. They would gradually mix with air at their edges.⁶

As they mix with air, they would become **very flammable**. (Fire needs oxygen from the air to support burning.) If they are ignited, possibly by a passing car, they will burn rapidly, and warm the rest of the gas which may still be in the liquid state, which will increase the fire.⁷

If water is sprayed on the burning gas, the **gas and the liquid LPG** will float on the water. Even as a liquid, LPG is lighter than water. The water would actually **warm** the liquid LPG, causing it to evaporate faster, and spread the fire. Butane burns hotter than 3600° F, **hot enough to melt steel!**⁸

The butane stored at Rancho has enough energy to equal **53 atomic bombs!** This information was acknowledged by Rancho's own consultants, Quest.⁹

*Before it is too late, we must unite to remove this flagrant threat to our citizens, our communities and our ports!

Please stand up to protect us all!

**CONTACT YOUR LOCAL GOVERNMENTAL REPRESENTATIVES
IMMEDIATELY!!**

References and Validations

¹ At 70° F propane has a vapor pressure of 145 psi (pounds per square inch) absolute; atmospheric pressure is 14.7 psi. Data according to NFPA (National Fire Protection Association) 58, "Liquefied Petroleum Gas Code" 2008.

² Storage temperature is from Rancho documents. Butane's boiling point is 31° F, according to the API's (American Petroleum Institute) "Fire Protection Considerations for the Design and Operation of Liquified (LPG) Gas Facilities." It's stored at about 1 psi above atmospheric pressure, according to Rancho documents.

³ The 'vapor cloud' would be propane or butane, and not mix readily with air except at its edges. As gases, both propane and butane are odorless and colorless. They would be cold on their release, because of 'self-refrigeration,' that is, after the pressure under which they were stored is relieved, and they are allowed to vaporize, they would expand greatly. When they expand, these gases cool down, in the same way that a refrigerant works in a refrigerator. If there was enough moisture in the air, the moisture might condense on the vapor surface and make it somewhat visible.

⁴ Propane increases 270 times its volume; butane increases 230 times its volume, according to the API document cited above.

⁵ The impound basin was sized to hold the entire contents of one tank. (According to Google maps and a depth of 17 feet, given in Rancho documents, the impound basin volume is slightly smaller than 12,600,000 gallons, though.) So 12,600,000 gallons would expand 230 times to 2,898,000,000 gallons as a vapor. Only about 0.4% (12,600,000/2,898,000,000) of the vapor could be contained in the impound basin.

⁶ As the vapor flows out of the impound basin, it would flow into the adjacent storm drain, then into the harbor near Channel Street. More vapor would likely flow onto Gaffey Street. Propane is 1.5 times as heavy as air; butane is 2.01 times as heavy. They would behave similarly to dry ice vapors that are used in spooky shows, hugging the ground. The weights of both gases are from the NFPA 58 document cited above.

⁷ The lower flammability limit (LFL) for propane is 2.15 % in the vapor air mixture; for butane it is 1.55 %. From the NFPA 58 document. Sources of ignition could be the engine of a passing car or a truck on site, or the heater, flare, or three compressors on site, or a static charge, or cigarette.

⁸ Although the gases are heavier than air, they are lighter than water when they are liquids (and, of course, when they are gases). Propane is 0.504 times the weight of water and butane is 0.582 times, according to the NFPA 58 document. Propane burns at a temperature of 3595° F; butane at 3615° F. Information from NFPA 58 document. Steel melts at 2550 to 2790° F. The tanks containing the propane and butane are steel. Information on steel from Perry's Chemical Engineer's Handbook, 6th Edition.

⁹ From Rancho's documents, letter titled, "Responses to Portions of Anthony Patchett's Letter by Quest Consulting," p.4.

Daily Breeze article regarding June 27th Public Safety Committee meeting

Liquid bulk storage safety topic of tonight's San Pedro meeting

By Donna Littlejohn Staff Writer Daily Breeze

Posted:

DailyBreeze.com

The safety of liquid bulk storage facilities is the subject of a special meeting tonight in San Pedro.

The Los Angeles City Council's Public Safety Committee will meet at 6 p.m. at Taper Avenue Elementary School auditorium, 1824 Taper Ave., to hear from regulators - federal, state and local - on safety and permitting requirements.

There will also be time for public comment.

For those who can't attend, the meeting can be viewed live online at www.LA15th.com/TankSafety/.

Harbor Area Councilman Joe Buscaino requested the meeting in light of long-standing concerns about the Rancho LPG liquefied petroleum gas storage facility at 2110 N. Gaffey St. in San Pedro.

Established in 1973 by Petrolane, the facility later was operated under the Amerigas name and now is owned by Plains LPG with a long-term lease for the land.

Because of the hazardous materials stored there, critics say that the presence of the tanks - with residential neighborhoods, stores and a school nearby - is a potential disaster in the making.

On June 7, the Board of Harbor Commissioners rejected a proposal to revoke a permit for a rail line connecting the Rancho LPG facility to an interstate railroad system at the Port of Los Angeles.

The board also rejected a recommendation by the Los Angeles Community Advisory Committee to perform a risk assessment of the 18-acre, privately owned facility because the study should be completed by state and federal agencies.

The Rancho LPG facility stores butane and propane in two large, refrigerated, double-walled storage tanks and a series of smaller horizontal tanks scattered on the property.

Port and city officials have said the plant is in compliance and is subject to frequent inspections.

donna.littlejohn@dailybreeze.com

Agenda and handout from Los Angeles City Council Public Safety Committee Meeting
on Liquid Bulk Storage in the Harbor area

PUBLIC SAFETY COMMITTEE, SPECIAL MEETING

WEDNESDAY, JUNE 27, 2012

**TAPER AVENUE ELEMENTARY SCHOOL AUDITORIUM – 6:00 PM
1824 TAPER AVE, SAN PEDRO, CA 90731**

***** NOTE START TIME AND LOCATION CHANGES FOR THIS MEETING *****

**MEMBERS: COUNCILMEMBER MITCHELL ENGLANDER, CHAIR
COUNCILMEMBER JAN PERRY
COUNCILMEMBER JOE BUSCAINO
COUNCILMEMBER PAUL KREKORIAN
COUNCILMEMBER DENNIS P. ZINE**

(John A. White - Legislative Assistant - 213-978-1072; e-mail john.white@lacity.org
Click [here](#) for agenda packet

Note: For information regarding the Committee and its operations, please contact the Committee Legislative Assistant at the phone number and/or email address listed above. The Legislative Assistant may answer questions and provide materials and notice of matters scheduled before the City Council. Assistive listening devices are available at the meeting. Upon 24-hour advance notice, other accommodations, such as sign language interpretation and translation services, will be provided. Contact the Legislative Assistant listed above for the needed services.

<u>FILE NO.</u>	<u>SUBJECT</u>
	(1)
11-1813-S1	Motion (Buscaino – Perry – Englander) requesting that the pertinent regulatory and enforcement agencies at the local, state, and federal level report relative to permitting and safety requirements for liquid bulk storage facilities. Fiscal Impact Statement Submitted: No Community Impact Statement: None submitted
	(2)
11-1813 CD 15	Motion (Perry – Krekorian) requesting the Fire and Emergency Management Departments, the Department of Building and Safety, and City Attorney to report relative to safety issues expressed by San Pedro residents regarding the Amerigas/Rancho LPG storage tank facility located at 2110 North Gaffey Street in San Pedro; and, further requesting that the Southern California Air Quality Management District review air quality issues associated with this facility. Fiscal Impact Statement Submitted: No Community Impact Statement: None submitted

**PUBLIC SAFETY COMMITTEE
*** Special Meeting ***
Wednesday, June 27, 2012**

Materials related to an item on this Agenda submitted to the Committee after distribution of the agenda packet are available for public inspection in the City Clerk's Office at 200 North Spring Street, Room 395, City Hall, Los Angeles, CA 90012 during normal business hours.

ps062712sp

**PUBLIC SAFETY COMMITTEE
*** Special Meeting ***
Wednesday, June 27, 2012**

D-80



Councilman Joe Buscaino
LA's 15th Council District

This Public Safety Committee meeting is
streaming live at:

LA15th.com/TankSafety

CityWatchLA.com article regarding Rancho LPG facility



WHO'S PROTECTING WHOM? - Over 40 years ago, the City and Port of LA ushered into the community of San Pedro a voluminous and volatile liquid petroleum gas facility.

Negotiating since the late 1960's to develop an LPG terminal in LA Harbor for the export and import of propane and butane, port officials decided that the storage site would be too hazardous to locate on their own property. Private property within the community and adjacent to the inner harbor was located and Petrolane LPG signed onto a long term lease. A pipeline was installed to a wharf at the port of LA to capture the lucrative opportunity of direct shipping by sea. The port signed a 30 year wharf lease with the operators.

At that time, 1972/1973, a sitting LA Harbor Commissioner, Commissioner Cho, was a shareholder in Petrolane LPG and the company was expedited through the permitting process with an EIR that never addressed many critical facts ... including the volatile nature of liquid petroleum gasses, the fact that the tank facility was being built on the Palos Verdes Earthquake fault (mag. 7.3) and in a seismic Landslide and Liquefaction Area.

Nor did the EIR identify that the storage facility was being placed within 1,000 ft. of existing residential homes. A risk analysis was never performed and its two 12.5 million gallon capacity tanks were built without LA Building and Safety Permits and to a seismic sub-standard of 5.5-6.0.

Petrolane was given an "emergency exemption" from the California Environmental Quality Act, and LA City Fire Regulations. Although the facility has changed hands two additional times since then, they have never had to perform a new EIR or upgrade the facility even though the operation is completely different from the original business operation that transported over 68 % of its gas by sea.

The port refused to renew their wharf in 2004 leaving the operation to ship 100% of its ultra hazardous commodity by rail and truck through the port and communities.

The stored energy at this location (more than 25 million gallons) represents the equivalent of 53 nuclear bombs. LPG is an ultra flammable substance and is nearly impossible to extinguish once ignited. This facility poses an extreme threat to lives and property on multiple levels.

1. The massive volume of its stored gas. The largest volume of gas of its type in such a densely populated area with a proximity that jeopardizes schools, neighborhoods, businesses, the 110 freeway, the Vincent Thomas Bridge, and the largest ports in the Nation.

The company is located on the back side of the large Conoco Phillips refinery, across the street from the Naval Fuel Depot and above a hornet's nest of chemical and fuel pipelines extending

up the coast and inland. The slightest human error could bring instant catastrophe. And, the facility's antiquated 40 year old infrastructure is ripe for cataclysmic opportunity.

2.00 □ The incredible earthquake potential for disaster.

It is in the PV Fault Rupture Zone and on such seismically sensitive land. Anything greater than a 6.0 magnitude could easily rip through both large tanks like butter resulting in devastation never witnessed before by man. Considering that, once ignited, LPG burns at a temperature greater than 3500 degrees Fahrenheit, the radiant heat from this LPG fire would ignite all combustibles for MANY MILES!

3.00 □ Terrorism potential.

Two men were convicted in 2000 for a terrorist attempt on an LPG facility in Elk Grove, CA, that is essentially the twin to the Rancho facility in San Pedro. The mammoth, above ground tanks are tantalizing and easy soft targets for terrorism. Considering that the Ports of Los Angeles and Long Beach rank high on the known list of terrorist targets, this site leaps to the fore as a premiere opportunity.

The facility was acquired by "Plains All American Pipeline" (a fortune 500 company) when the former operators, Amerigas, were unable to renew their lease on the Port's wharf for ocean transport in 2008.

A single ship can transport 7 million gallons of liquid energy gas. Great profits were lost when the sea shipping option ended for Amerigas. However, "Plains" was then, and is now, in the development phase of a new Crude Oil terminal on Pier 400 at the Port of LA, under the name Pacific LA Marine.

It is only logical that Plains/Rancho is looking to the opportunity of shipping LPG once again through the Port of LA. Attempting to establish an LPG shipping opportunity like this ... without a "grandfathered" situation like this one ... would be virtually impossible.

India is currently in the process of implementing a similar project. Their plan calls for the creation of a facility location to be sited 6 miles off shore. This is the only sensible action considering the high danger associated with these operations. Los Angeles must demand the same of Plains.

Meanwhile, community activists in San Pedro continue to fight for the security that most people blindly assume is being provided them by government oversight.

What eludes common logic is "why" the City of LA is not worried about the overwhelming liability of this incredible potential for disaster, and "why" they would be so readily willing to sacrifice the economic engine of the State of California.

What is the reason for the City of LA and government officials across the board to protect and insulate this particular company? What is so important that public safety takes a back seat?

Meanwhile, the facility presents a worst case blast radius (under EPA calculations of 1 tank rupture) of 3 miles, with an estimation of 27,000 potential victims. If one blows, does that not mean that they "all" go?

San Pedro and surrounding communities currently sit poised on the precipice of a hellacious inferno.

(Janet Gunter is a long time community activist and member of the San Pedro Peninsula Homeowners United Inc.□ Connie Rutter is a retired oil industry environmental consultant.□ Both are members of Citizens for Responsible & Equal Environmental Protection (CREEP).□ The SPPHU was one of the litigants in the successful China Shipping lawsuit that was represented by the NRDC in 2001-2003 on the issue of air pollution and aesthetics.)

-cw

Tags: Janet Gunter, Connie Rutter, Port of LA. Port of Los Angeles, Los Angeles, San Pedro, Petrolane, LPG, propane, explosion, high risk

CityWatch
Vol 10 Issue 55
Pub: July 10, 2012