

MOTION

Neighbors to the Rancho LPG site in San Pedro have long been alarmed by the existence of the facility, which sits close to homes, schools, and stores, and has been cited as handling the largest amount of butane of any facility in California. Community members have expressed significant public health and safety concerns about the operations onsite, including the transportation of the Rancho LPG products via rail and pipeline, on and adjacent to private property near the Port of Los Angeles that operates a liquefied petroleum gas storage facility.

Although the facility is on private property, Rancho LPG uses a railroad spur on property owned by the Port to transport its commodities. Butane and propane are hazardous materials that are also highly explosive. Community members are concerned about the potential threats to life, health, loss of business, private and public property and infrastructure posed to the entire City of Los Angeles from an explosion, fire or contamination stemming from the facility. These concerns have only grown stronger because of recent incidents throughout the country involving rail transportation of hazardous materials.

In 1974, the Port issued a revocable permit to Petrolane (the first occupant of the Rancho facility) to construct, operate, and maintain an industrial railroad spur track. The track was necessary to connect the Petrolane facility to the existing spur track that ran along Gaffey Street. This spur track pre-dated the facility. In 1994, through a joint purchase with the Port of Long Beach of rail track in connection with the Alameda Corridor project, the Port acquired an ownership interest in the railroad spur track that runs parallel to Gaffey Street up to the point covered by the revocable permit. After the Alameda Corridor transaction, the Port had an ownership interest in the entire railroad spur track that parallels Gaffey Street and which serves the Rancho LPG facility.

In 2011, the Port entered into revocable permit No. 10-05 (Rancho Permit) with Rancho LPG. This Permit is a successor to the revocable permit issued in 1974. Issues surrounding the Rancho Permit and Rancho LPG's use of the railroad spur track have been brought to the attention of the California State Lands Commission in the past. According to the Office of the City Attorney, the Port may terminate the Rancho Permit, but termination would not end rail service to and from the facility as the Pacific Harbor Line would continue to provide service under the San Pedro Bay Harbor Rail Operating Permit.

The Rancho Permit provides the Port with some limited protection from liability through insurance and indemnification requirements. Further investigation into the initial approval and use of the Rancho Permit versus its implementation and use today is important for analyzing the City's role in approval for the Permit as well as the community's direct engagement with the entities involved with the Permit.

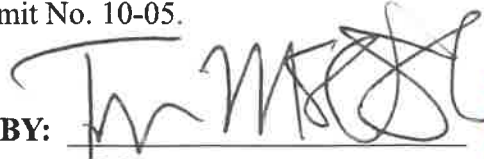
I THEREFORE MOVE that the City Council direct the Port of Los Angeles, with assistance from the Bureau of Engineering and the Office of the City Attorney, to report on the application for the revocable permit No. 10-05 (Rancho Permit)'s initial use of what was approved for the permit, the approval process for the permit's renewal, and the City's ability to

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impact decisions approvals. Additionally, the report should include the ability of any City entity, including the Port, to modify, condition, or amortize, the permit No. 10-05.

PRESENTED BY:



TIM McOSKER

Councilmember, 15th District

SECONDED BY:



ORIGINAL