

CATEGORICAL EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT relative to the Second Amendment to Permit No. 708 with Kinder Morgan Storage Terminals, LLC, for a five-year extension to allow for the continued operation of the marine oil terminal at Port of Los Angeles berths and related adjustments of compensation for rent.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(14) of the Los Angeles City CEQA Guidelines.
2. APPROVE the accompanying Harbor Department (Port) Resolution No. 17-8094 authorizing the Second Amendment to Permit No. 708 with Kinder Morgan Storage Terminals, LLC, for a five-year extension to allow for the continued operation of the marine oil terminal at Berth Nos. 118 and 119 until October 13, 2023, and related adjustments of compensation for land rent annually based upon the Consumer Price Index (CPI).

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the proposed Second Amendment includes compensation from Kinder Morgan to the Port for land rent, and wharfage and dockage fees of approximately \$2.4 million in 2016. Compensation will be adjusted every five years and will include an annual CPI adjustment. All other terms of the Permit, including the provisions in the First Amendment, will remain unchanged.

Community Impact Statement: None submitted.

**TIME LIMIT FILE – AUGUST 25, 2017**

**(LAST DAY FOR COUNCIL ACTION – AUGUST 25, 2017)**

#### SUMMARY

In a report to the Mayor dated July 19, 2017, the CAO states that the Port requests approval of Resolution No. 17-0894 authorizing a proposed Second Amendment to Permit No. 708 with Kinder Morgan Tank Storage Terminal, LLC, to continue operation of its marine oil terminal at Berths 118 and 119 in the Port of Los Angeles. The proposed Amendment extension is contingent upon Kinder Morgan receiving an agreed upon approval by the California State Lands Commission to cleanup and restore a marine terminal site by April 2018. The Amendment extends the Permit by five years, to October 2023, to allow Kinder Morgan to move to a new facility and to include an annual CPI adjustment in the compensation amount. On May 18, 2017, the Board of Harbor Commissioners approved the Port's request. The CAO concurs with this action.

At the meeting held August 15, 2017, the Trade, Travel, and Tourism Committee recommended that Council approved the proposed amendment to Permit No. 708 with Kinder Morgan Storage Terminals, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in black ink, appearing to be 'J. Buscaino', written in a cursive style.

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
BONIN:	ABSENT
KREKORIAN:	YES

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**