

## **BORDER ISSUES STATUS REPORT**

**Revised April 7, 2015**

*The following is a listing of the history and most recent status of all of the Border Issues that are currently being monitored by the City.*

### **SAN PEDRO FACILITY RESTORATION ADVISORY BOARD (DEPARTMENT OF DEFENSE)**

- *Last Update: October 7, 2014*

On August 19, 2002, the City received public notice for the annual meeting of the San Pedro Facility Restoration Advisory Board (RAB). The meeting was intended to provide an open forum for the discussion of the environmental investigations and clean-up activities at the Defense Fuel Support Point San Pedro Facility and adjacent housing areas on Western Avenue and Palos Verdes Drive North. Staff attended the August 28, 2002 meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The repair of ten leaking underground fuel storage tanks;
- A phytoremediation test site, which is testing the effectiveness of using plants to treat groundwater contamination;
- The timelines and funding availability for the clean-up of three other contaminated dump sites on the property; and,
- Monitoring of a capped dump site adjacent to the Palos Verdes housing site, a portion of which is leased to Marymount College.

There was also a presentation by the Peninsula Land Conservancy regarding its efforts to restore coastal sage scrub habitat and monitor the population of the Palos Verdes blue butterflies on the site.

There was no new information presented at the RAB meeting regarding the status of the transfer of the San Pedro and Palos Verdes housing sites to the various agencies identified by the San Pedro Reuse Committee in 1999. A portion of the housing along Taper Avenue was transferred to the Archdiocese of Los Angeles in 2001 for the possible future expansion of Mary Star of the Sea High School.

At the January 7, 2003 City Council meeting, Councilmember McTaggart reported that he had received a copy of the Finding of No Significant Impact (FONSI) for an Integrated Natural Resources Management Plan (INRMP) for the Navy's Defense Fuel Support Point (DFSP) San Pedro. The adoption of the INRMP is related to the clean-up of soil contamination at DFSP San Pedro and the transfer of the former Navy housing sites.

On October 1, 2003, the RAB held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The repairing and relining leaking underground fuel storage tanks;
- A progress report on the phytoremediation test site, which is testing the effectiveness of using poplar trees to treat groundwater contamination;
- The timelines and funding availability for the clean-up of three other contaminated dump sites on the property, which is not likely to begin until 2007;
- The monitoring of a capped dump site adjacent to the Palos Verdes housing site, a portion of which is leased to Marymount College;
- A presentation by the Palos Verdes Peninsula Land Conservancy regarding its on-going efforts to restore coastal sage scrub and Palos Verdes blue butterfly habitat on the site; and,
- An update on the environmental clearances for the former Navy housing sites.

With respect to this last issue, Navy personnel stated that the Navy had issued a Finding of Suitability to Transfer (FOST) for the San Pedro/John Montgomery site, thereby clearing the way for its sale. However, a FOST had not yet been issued for the Palos Verdes site.

On August 18, 2004, the RAB held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- A progress report on the remediation of contaminated soils and groundwater along North Gaffey Street, including the phytoremediation test site which uses poplar trees to treat groundwater contamination;
- The latest timelines and funding availability for the clean-up of three remaining contaminated dump sites on the Navy property, which is not likely to begin until 2007 and be completed until 2009;
- A presentation by the Navy's natural resources expert regarding its on-going efforts to restore critical habitat, monitor population and conduct captive breeding of the Palos Verdes blue butterfly on the site;
- The status report of the regular monitoring of a capped dump site within the former Palos Verdes housing site, portion of which have been transferred to Marymount College and Rolling Hills Preparatory School; and
- An update on the status of the transfer of the remainder of the former Navy housing sites.

With respect to this last issue, Navy personnel stated that portions of the Palos Verdes housing site had been quitclaimed to Marymount College and Rolling Hills Preparatory School in April 2004 and August 2004, respectively. It was also announced that the seventy-six (76) units of homeless housing on the Palos Verdes site would be granted to Volunteers of America (VOA) rather than to South Bay Crossings. Navy personnel also commented briefly upon the upcoming Internet auction of the San Pedro/John

Montgomery housing site.

On October 27, 2005, the Restoration Advisory Board (RAB) held its annual meeting. Staff attended the meeting, at which Navy personnel presented updates on a variety of on-going soil remediation programs on the site, including:

- The latest timelines and funding availability for the clean-up of the three (3) remaining contaminated dump sites on the Navy property, which is scheduled to begin in 2007 and be completed by 2009;
- The status report of the regular monitoring of a capped dump sites within the former Palos Verdes housing site, the remaining portions of which have been transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America in accordance with the approved 1999 reuse plan, and the status of the disposal of the remaining property containing the Palos Verdes blue butterfly habitat to an appropriate stewardship group or agency;
- A progress report on the remediation of contaminated soils and groundwater along North Gaffey Street, including the phytoremediation test site which uses poplar trees to treat groundwater contamination, and the regular repair and maintenance of the existing underground and aboveground fuel storage tanks; and,
- A presentation by the Barbara Dye of the Palos Verdes Peninsula Land Conservancy regarding on-going efforts to restore critical habitat, monitor population and conduct captive breeding of the Palos Verdes blue butterfly on the site;

At the conclusion of the meeting, the RAB members in attendance agreed to receive annual updates on these issues from the Navy, but to only meet biannually. As such, the next RAB meeting was expected to be held in Fall 2007, although Staff received no notice of any such meeting. However, Staff did recently receive a fact sheet on August 7, 2008.

Based upon the information in this fact sheet, it appears that the Navy is preparing to “close the books” on some formerly-contaminated portions of the Palos Verdes Navy Housing site so that they may be transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America.

The San Pedro Facility Restoration Advisory Board (RAB) met on December 15, 2009. Staff was unable to attend the meeting, but based upon the meeting agenda, it appears that the Navy has “closed the books” on the environmental remediation of the former San Pedro and Palos Verdes Drive North housing sites. The former San Pedro site is now the location of the proposed *Ponte Vista* project, while the former Palos Verdes Drive North site has been transferred to Marymount College, Rolling Hills Preparatory School and Volunteers of America. In the future, the RAB will only deal with environmental remediation at the active Defense Fuel Support Point (DFSP) San Pedro.

On June 30, 2010, the RAB was scheduled to meet for the second time that year. The agenda for that meeting confirmed that the RAB's future activities will focus on active, environmental remediation efforts on the DFSP site, but will no longer include either of the former Navy housing sites.

The San Pedro Facility Restoration Advisory Board (RAB) met on December 8, 2010. The RAB is now only dealing with environmental remediation at the active Defense Fuel Support Point (DFSP), not the former San Pedro and Palos Verdes Drive North housing sites.

The San Pedro Facility Restoration Advisory Board (RAB) met on June 29, 2011. The RAB now deals only with environmental remediation at the active Defense Fuel Support Point (DFSP) San Pedro. Discussion at the most recent meeting centered upon the status of the remediation plans for so-called "Site 32," which is located in the southeasterly portion of the facility near North Gaffey Street. Planning for the remediation of so-called "Site 31"—which is located in the northwesterly portion of the facility, closer to Western Avenue and the City's *Peninsula Verde* neighborhood and Green Hills Memorial Park—is expected to begin in 2012. Site 31 has been identified as having a "low" probable risk to human health, whereas Site 32 has been identified as a "medium" risk site.

The San Pedro Facility Restoration Advisory Board (RAB) met on December 19, 2011. Discussion at the most recent meeting again focused primarily on the remediation plans for so-called "Site 32," which is located in the southeasterly portion of the facility near North Gaffey Street. Planning for the remediation of so-called "Site 31"—which is located in the northwesterly portion of the facility, closer to Western Avenue and the City's *Peninsula Verde* neighborhood and Green Hills Memorial Park—may begin sometime later this year.

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.

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on January 17, 2013. 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. Unfortunately, Staff was unable to attend this most recent meeting.

At the RAB meeting on June 21, 2012, Lomita Planning Commissioner Dan Jones was appointed as interim RAB Community Co-Chair to replace the late Gil Alberio. The Navy has begun public outreach efforts to select a permanent Community Co-Chair and new members for the RAB. An application for new RAB members was distributed just prior to the January 17<sup>th</sup> meeting.

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on August 7, 2013. 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 on Taper Avenue (Mary Star-of-the-Sea High School), Western Avenue (*Ponte Vista*) or Palos Verdes Drive North (Rolling Hills Preparatory School, Marymount California University and Volunteers of America).

At the RAB meeting, Navy Staff and contractors provided updates on a number of environmental remediation and endangered species restoration projects that continue at DFSP San Pedro. Of particular interest to our residents may be so-called "IR Site 32," which is located just across Western Avenue from the *Peninsula Verde* neighborhood and Green Hills Memorial Park. This 11-acre site consists of a 70-foot deep ravine that is partially filled with construction debris and mixed waste. The Navy expects to continue investigations and surveys of this site, including field reconnaissance later this fall. Nearby residents may observe a small field team conducting groundwater monitoring and using a drill rig in this area during November 2013.

At the RAB meeting in June 2012, Lomita Planning Commissioner Dan Jones was appointed as interim RAB Community Co-Chair to replace the late Gil Alberio. The Navy is continuing public outreach efforts to select a permanent Community Co-Chair and new members for the RAB. An application for new RAB members was distributed at the August 7<sup>th</sup> meeting, and Staff disseminated this information to the *Rolling Hills Riviera* and *Peninsula Verde* homeowners' associations and Green Hills Memorial Park on August 14, 2013. The next RAB meeting is tentatively scheduled for February 12, 2014.

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on April 23, 2014. 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 on Taper Avenue (Mary Star-of-the-Sea High School), Western Avenue (*Ponte Vista*) or Palos Verdes Drive North (Rolling Hills Preparatory School, Marymount California University and Volunteers of America).

At the RAB meeting, Navy Staff and contractors provided updates on some of environmental remediation projects that continue at DFSP San Pedro. Of particular interest to our residents may be the so-called "IR Site 31," which is located just across Western Avenue from the *Peninsula Verde* neighborhood and Green Hills Memorial Park. This 11-acre site consists of a 70-foot deep ravine that is partially filled with construction debris and mixed waste. The Navy conducted investigations and surveys

of this site in late 2013. The Navy expects to complete a draft Expanded Site Inspection for IR Site 31 by the early summer of 2014. Navy Staff and contractors also discussed the recently-discovered “Tar Dump” area of the site, which appears to contain petroleum wastes that pre-date the Navy’s arrival on the site during World War II.

For the past couple of years, the Navy has been trying to recruit new RAB members and a permanent Community Co-Chair to replace the late Gil Alberio. Public turnout at this most-recent RAB meeting was much higher than at the past several meetings, and many new attendees expressed interest in joining, or had already submitted applications to join, the RAB. The Navy anticipates that the next RAB will be held in September 2014, and that it may include a tour of DFSP San Pedro for RAB members.

The San Pedro Facility Restoration Advisory Board (RAB) held its most recent meeting on August 27, 2014. 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 on Taper Avenue (Mary Star-of-the-Sea High School), Western Avenue (Ponte Vista) or Palos Verdes Drive North (Rolling Hills Preparatory School, Marymount California University and Volunteers of America).

Unfortunately, Staff was unable to attend the recent RAB meeting, but Rancho Palos Verdes residents and RAB members provided information to Staff after the meeting. The meeting included a tour of DFSP San Pedro. Of particular interest to our residents was the revelation that the Navy may be considering the closure of the facility at some time in the future. Apparently, the fuel storage tanks on the property have been or are now being emptied. The Navy has provided no timeline for the potential closure or decommissioning of DFSP San Pedro. However, Staff anticipates that such action would involve convening a reuse committee to formulate a plan for the disposition of the property (as was done with the former Navy housing sites in the late 1990s).

For the past couple of years, the Navy has been trying to recruit new RAB members and a permanent Community Co-Chair. Public turnout at recent RAB meetings has been much higher than in the past, and many new attendees have joined the RAB. Staff anticipates that the next RAB will be held in the first half of 2015. Staff will continue to monitor this project in future Border Issues reports.

## **LOS ANGELES COUNTY GENERAL PLAN UPDATE (COUNTY OF LOS ANGELES)**

- *Last Update: April 7, 2015*

On November 22, 2002, the City received a copy of the Notice of Preparation (NOP) and Initial Study for a comprehensive update and amendment to the Los Angeles County General Plan. The project generally proposes to revise County growth policies by updating population and housing projections; revise and expand the boundaries of Significant Ecological Areas (SEA’s) to reflect recent biological surveys; revise the land use policy maps and other related general plan maps, plans and exhibits, and convert them to a digital computer format; revise the transportation policy maps to reflect recent

updates and revisions to the County's transportation network; revise the Conservation and Open Space element to incorporate the requirements of the National Pollutant Discharge and Elimination System (NPDES); and revise the boundaries of several County "islands" to reflect recent incorporations.

The Initial Study identifies a number of potentially significant environmental impacts in the general areas of hazards, resources, services and other categories. Revisions to the County's general plan would potentially affect the use and development of property on the Peninsula within the *Academy Hills*, *Westfield* and *The Estates* communities, as well as the South Coast Botanic Garden. In addition, Crenshaw Boulevard between Palos Verdes Drive North and Silver Spur Road is located in unincorporated territory, while Hawthorne Boulevard from Pacific Coast Highway to Palos Verdes Drive West is a designated County highway (Route N7). It should also be noted that the SEA's depicted in the project description appear to include the landslide moratorium area and other large portions of the City, as well as the entire coastline of the Peninsula.

The County conducted a series of public scoping meetings between December 2, 2002 and December 10, 2002 to solicit input on the preparation of the draft Environmental Impact Report (EIR) for this project. The deadline for public comments on the NOP was originally December 23, 2002, but has been extended to February 23, 2003.

Based upon the City Council's input at the January 7, 2003 City Council meeting, Staff forwarded comments on the NOP to the County on January 14, 2003. Staff anticipated that a draft Environmental Impact Report and a draft County General Plan would be available for review and comment in late Spring 2003, although this was not the case.

On January 20, 2004, the City received notice of the release of a Draft Preliminary General Plan from the County. The deadline for comments on the document is June 1, 2004, and a community workshop was held in the unincorporated Rosewood community (near El Segundo Boulevard and the Harbor (110) Freeway) on March 9, 2004. The workshop was very lightly attended. County Staff presented an overview of the general plan update process, and distributed copies of the County's *Shaping the Future 2025*, which presents County Staff's draft language for the general plan goals and policies. Several more workshops were held during March 2004, and two more will be held during April 2004.

County Staff expects to have a draft of the General Plan and EIR prepared by the end of this year, with hearings before the Regional Planning Commission and the Board of Supervisors in 2005. On April 6, 2004 and May 4, 2004, Staff presented draft comments on the County General Plan update for the City Council's review. Staff finalized these comments and submitted them to the County on May 6, 2004.

The City previously commented on the County's General Plan update on May 6, 2004, raising many issues of concern with respect to the unincorporated areas of the Peninsula. On July 6, 2007, Staff was advised of the availability of the Draft Preliminary General Plan. Public comments on the document are due by August 30, 2007. Staff will

review the preliminary draft to see if our previous comments have been adequately addressed, and will forward comments to the County by the end of the comment period. The document is available for review on-line at:

<http://planning.lacounty.gov/spGPMMain.htm>

On September 18, 2007, the City received acknowledgement from the County of our comments on the Preliminary Draft General Plan. Our comments of August 30, 2007, raised many of the same issues of concern with respect to the unincorporated areas of the Peninsula that we had originally raised in 2004. These included the potential 50-percent increase in residential density in the *Westfield* and *Academy Hills* neighborhoods; corrections to the County's Highway Plan maps; inaccurate depictions of sensitive habitat areas on the Peninsula; noise impacts associated with major roadway traffic and aircraft over-flights; the future use of the former Palos Verdes Landfill site; and the anticipated number of new housing units to be allocated to the unincorporated area of the Peninsula by SCAG.

On June 27, 2013, the City received notice of the revised Notice of Preparation of an Environmental Impact Report (EIR) for the Los Angeles County General Plan Update. Similar to the issues of concern that we had raised with respect to the unincorporated areas of the Peninsula in 2004 and 2007, Staff submitted comments to the County on July 26, 2013. These comments included landslides and slope stability; private sewage disposal systems, biological resource impacts; impacts upon local school facilities and changes in land use. Staff now awaits the release of the draft EIR associated with the General Plan update.

On June 23, 2014, the City received Notice of Availability for the Draft Environmental Impact Report (DEIR) for the Los Angeles County General Plan Update. The 45-day public comment period for the DEIR will end on August 7, 2014. The City previously submitted comments on the revised scope of the DEIR in July 26, 2013. Staff is currently reviewing the DEIR and will submit further comments (if necessary) on or before the August 7<sup>th</sup> deadline.

On March 12, 2015, the City received Notice of Completion for the Final Environmental Impact Report (FEIR) for the Los Angeles County General Plan Update. The City previously submitted comments on the draft EIR, and was satisfied that our comments had been addressed. The Board of Supervisors conducted a public hearing on March 24, 2015, to certify the FEIR and approve the County's updated general plan. Therefore, Staff will remove this project in future Border Issues reports.

## **CALWATER PALOS VERDES PIPELINE PROJECT IN PALOS VERDES DRIVE NORTH (CITIES OF ROLLING HILLS ESTATES AND RANCHO PALOS VERDES AND UNINCORPORATED LOS ANGELES COUNTY)**

- *Last Update: February 7, 2012*



California Water Service Company (CWSC) made a presentation to the City Council regarding its master plan for the Palos Verdes District on February 17, 2004. Part of this plan envisioned placing two (2) new water mains under Palos Verdes Drive North to replace an existing line serving the westerly Peninsula (the so-called "D-500 System"); and to supplement existing supply lines to the existing reservoirs at the top of the Peninsula (the so-called "Ridge System"). Another previous Border Issue upon which the City commented in 2003 was the Harbor-South Bay Water Recycling Project, proposed jointly by the Army Corps of Engineers (ACOE) and the West Basin Municipal Water District (WBMWD) to provide reclaimed water for irrigation purposes. One of the proposed lines for this project (Lateral 6B) would be placed under Palos Verdes Drive North to serve existing and proposed golf courses and parks in Rolling Hills Estates, Palos Verdes Estates and County territory, as well as Green Hills Memorial Park in Rancho Palos Verdes. Adding to these water line projects is a plan by Southern California Edison (SCE) to underground existing utility lines along Palos Verdes Drive North between Rolling Hills Road and Montecillo Drive. All of these projects would require construction within the public right-of-way of Palos Verdes Drive North, which is already severely impacted by traffic during peak-hour periods.

On February 22, 2005, the Rolling Hills Estates City Council heard a joint presentation by CWSC, WBMWD and SCE representatives of plans to coordinate these three infrastructure projects as a single, large project. The traffic control measures proposed to accomplish these combined projects would involve phased closures of segments of Palos Verdes Drive North over a period of at least fifteen (15) months, assuming 2-shift, 16-hour workdays. Although controlled local access to residences, businesses and schools along Palos Verdes Drive North would be maintained throughout the project, both local and through traffic would be detoured at various times onto Hawthorne Boulevard, Crenshaw Boulevard, Rolling Hills Road, Palos Verdes Drive East/Narbonne Avenue and Pacific Coast Highway.

Both the RHE City Council and members of the public had significant concerns about the proposed project. Of primary concern were the justification for elements of the project; and the number and scope of possible alternatives considered. At the conclusion of the workshop, it was the City Council's consensus that additional public workshops were necessary, as was the preparation of a formal Initial Study (IS) to identify all of the environmental effects of the proposed project. Staff intended to continue to monitor this project, and to review and comment upon the IS once it is completed.

Previously, Staff has monitored and reported on this project under the title "Joint CalWater-West Basin MWD-Edison Infrastructure Project." However, it came to Staff's attention in late 2011 that the scope of the project has changed in that it has reduced the amount of construction activity within Palos Verdes Drive North, and no longer involves reclaimed water or electrical lines.

The primary purposes of the CalWater Palos Verdes Pipeline Project are to "increase water system reliability, improve fire-fighting capability, and reduce the risk of property

loss or damage on the Palos Verdes Peninsula.” The two-phase project proposes to replace an existing pipeline that currently traverses multiple private properties within the City of Rolling Hills Estates with two (2) new pipelines to be located primarily within street and bridle trail rights-of-way. One of the new pipelines (the so-called “Crenshaw/Ridge Supply Project”) would extend southward along Crenshaw Boulevard (mainly through unincorporated County territory) to a new reservoir and pump station to be constructed at the northwest corner of Crenshaw Boulevard and Silver Spur Road in the City of Rolling Hills Estates. This pipeline would then continue southward along Crenshaw Boulevard through the City of Rancho Palos Verdes to tie into an existing pipeline in Crest Road that supplies CalWater’s reservoir near the intersection of Crest and Highridge roads.

CalWater is currently conducting engineering and technical studies to identify the environmental impacts of the proposed project, as required pursuant to CEQA. Public Works Staff is aware of this proposal and will be working with CalWater on those portions of the project that are located within our jurisdiction. Staff will also continue to monitor this project in future Border Issues reports.

#### **BRICKWALK, LLC CONDOMINIUMS (CITY OF ROLLING HILLS ESTATES)**

- *Last Update: June 4, 2013*

On January 31, 2007, the City received a Notice of Preparation and Initial Study (NOP/IS) for a draft Environmental Impact Report (DEIR) for a proposed mixed-use project consisting of one hundred sixty-three (163) units, 14,200 square feet of commercial space and associated off-street parking. The project proponent, Laing Urban, is also the developer of the proposed Crestridge senior housing project in Rancho Palos Verdes, which is located immediately upslope across Indian Peak Road. 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” project. This project falls within the boundaries of Rolling Hills Estates’ proposed Peninsula Village Overlay Zone (PVOZ), for which a Final EIR has not yet been prepared. A variance has been requested for building height, setbacks and lot coverage since the project proposes to comply with the proposed PVOZ standards, not with the existing Mixed-Use Overlay District (MUOD) standards.

The Initial Study identifies several potentially significant environmental impacts that will need to be addressed in the draft EIR. Staff attended the scoping meeting for the project on February 21, 2007, at which many issues of concern were discussed. These included geotechnical issues regarding construction on the recent landslide area; the adequacy of the proposed off-street parking; traffic impacts; and the relationship to the PVOZ project and DPEIR. On February 28, 2007, Staff forwarded comments on the scope of the DEIR for this 163-unit mixed-use project to the City of Rolling Hills Estates. The public comment period ended on March 2, 2007. Once a DEIR is released for public review and comment, Staff will bring this matter back to the City Council. In the

meantime, Staff will continue to monitor this and other development projects in the *Peninsula Village* area.

On May 8, 2007, the Rolling Hills Estates City Council and Planning Commission conducted a public “first look” workshop on the Laing Urban mixed-use project. The developer provided an overview of the project, pointing out that in most respects it complied with the City’s existing Mixed-Use Overlay District (MUOD) standards. The developer also noted that the project would stabilize the failed slope that destroyed office buildings on the site several years ago. On June 23, 2007, the *Palos Verdes Peninsula News* reported that Laing Urban has offered to pay half the projected \$16-\$18 million cost to repair the landslide on the site of its proposed 169-unit mixed-use project.

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. 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. 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.

On August 2, 2012, Staff forwarded the comments on the Draft Environmental Impact Report (DEIR) for the Brickwalk, LLC mixed-use condominium project to the City of Rolling Hills Estates. The major issues raised in our comments include:

- Potential aesthetic and view impacts of portions of the new townhomes exceeding the curb elevation along Indian Peak Road and Crenshaw Boulevard;
- Consistency of the project with “best management practices” (BMPs) for the adjacent Crestridge Reserve in the City’s Palos Verdes Nature Preserve;
- Geotechnical and hydrology/water quality issues regarding proposed site grading/landslide remediation and the City’s abutting public rights-of-way (i.e., Indian Peak Road and Crenshaw Boulevard);

- Justification for the requested variance for 26-foot/1-story building-height increase;
- Noise impacts upon residents of the City's *Mirandela* senior apartment community;
- Provision of affordable housing units as a part of the project;
- Clarifications and corrections to the traffic impact analysis and proposed mitigation for the project related to the City's public rights-of-way; and,
- Support for the "Reduced Project Alternative," which reduces the number of residential units and the amount of new commercial development by twenty percent (20%).

On September 4, 2012, Staff attended the Rolling Hills Estates Planning Commission public hearing for the DEIR. After receiving a presentation from the project proponent, six (6) public speakers expressed their concerns about the project to the Planning Commission. Staff noted that we had not yet had adequate time to evaluate the responses to our technical comments on the DEIR, particularly those related to biological resources, geology and transportation/traffic. Several of the Planning Commissioners also expressed reservations about some aspects of the proposed project.

At the conclusion of the evening's discussion, the public hearing was left open and the matter continued to October 15, 2012.

On October 15, 2012, Staff attended the Rolling Hills Estates Planning Commission's continued public hearing for the DEIR. After receiving a presentation from the project's traffic consultant, the public hearing was left open and the matter continued to December 3, 2012.

On December 3, 2012, the Rolling Hills Estates Planning Commission continued its discussion of the Brickwalk, LLC project. It approved the project and gave direction to its Planning Staff to bring back a resolution for adoption on December 17, 2012. The Rolling Hills Estates City Council is now expected to consider and ratify the Planning Commission's action on February 12, 2013.

On February 12, 2013, the Rolling Hills Estates City Council considered the Brickwalk, LLC project. The Staff report noted concerns that the Rolling Hills Estates Planning Commission had raised previously with respect to soils/geology; site safety during and after construction; construction phasing; and traffic and parking issues. The Staff report further pointed out deficiencies in the project with respect to the provision of community space and the lack of affordable housing. The Staff report also noted that the Planning Commission approved variances for the project predicated upon an assumption that they were necessary to make the project financially feasible, despite the lack of any evidence in support of this assumption from the project proponent. At the conclusion of its deliberations, the Rolling Hills Estates City Council continued this matter to a future hearing date to be determined.

On May 14, 2013, the Rolling Hills Estates City Council again considered the Brickwalk, LLC project. The Staff report noted that previous deficiencies with respect to the provision of community space and the lack of affordable housing had been addressed by the developer with the inclusion of a 1,000-square-foot community room and three (3) affordable housing units. The developer also provided detailed financial information about the project regarding the cost of construction and landslide remediation.

The Rolling Hills Estates City Council continued to express concern about the efficacy of the proposed landslide remediation efforts and the adequacy of insurance and other surety to ensure that the project could be completed once construction begins. At the conclusion of its deliberations, the Rolling Hills Estates City Council directed its Staff to obtain a 3<sup>rd</sup>-party independent review of the proposed project and Final EIR, and continued this matter to a future hearing date to be determined. Staff will continue to monitor this project in future Border Issues reports.

### **SAN PEDRO COMMUNITY PLAN UPDATE (CITY OF LOS ANGELES)**

- *Last Update: April 2, 2013*

On February 4, 2008, the City received the Notice of Preparation (NOP) for the Draft EIR for the San Pedro Community Plan update. The proposed project would guide development in the San Pedro area through 2030; amend the Mobility (Transportation) Element of the General Plan with respect to policies pertinent to San Pedro; and implement Plan Amendments, Zone Changes and Overlay Districts as needed to accomplish the goals and objectives of the Community Plan. A public scoping meeting on the Draft EIR was held on February 20, 2008, and the 30-day public comment period for the NOP was set to end on March 3, 2008. Staff submitted comments to the City of Los Angeles on February 12, 2008, which included a request to extend the public comment period to forty-five (45) days. We will also continue to monitor this project as the Draft EIR is prepared and circulated for additional public review and comment.

On December 8, 2011, Staff of the City of Los Angeles Planning Department met jointly with the Planning and Land Use committees of the Northwest, Central and Coastal San Pedro neighborhood councils to present a status report on the San Pedro Community Plan Update. We had previously commented upon this project in February 2008, requesting that:

- The community plan update should include focused attention on the Western Avenue commercial corridor shared by Rancho Palos Verdes and Los Angeles;
- The community plan update should include the “annexation” of the *Ponte Vista* site and three (3) adjacent condominium projects from the Wilmington/Harbor City Community Plan Area; and,
- The community plan update could provide an opportunity to correct certain “anomalies” in the city boundary between Rancho Palos Verdes and Los Angeles

As presented at the December 8, 2011, meeting, the City of Los Angeles is proposing changes to a variety of existing zoning and land use regulations throughout San Pedro. In the areas that immediately abut Rancho Palos Verdes, most of these are proposed nomenclature changes, meaning that the names of the zones and land use areas would change, but the existing development standards and permitted uses would not change. At a couple of locations along Western Avenue (i.e., the *Garden Village* shopping center and the condominiums next to the *Harbor Cove* shopping center), existing inconsistencies between the actual land use and the designated zoning would be resolved by making the zoning consistent with the existing development at each location. Staff does not anticipate that these nomenclature changes or the resolution of land use/zoning inconsistencies will have an adverse effect upon Rancho Palos Verdes and its residents.

Some of the proposed changes to the community plan include the designation of so-called “opportunity areas,” which are generally seen as “under-utilized” areas of the San Pedro community that may deserve special, focused attention. One of these opportunity areas is identified as the commercial district surrounding the intersection of Western Avenue and West 25<sup>th</sup> Street, which is located along a major path of travel for residents and visitors entering and leaving Rancho Palos Verdes. As currently envisioned, the development standards in this area would be revised to increase both the density/intensity of development and the maximum height of buildings to create a sub-regional commercial and residential center for the southwesterly portion of San Pedro. Staff has some initial concerns about this proposal and will continue to monitor it in future iterations of the community plan update. We also note that the City of Los Angeles does not intend to “shift” the *Ponte Vista* site into the San Pedro Community Plan Area, even though most people seem to associate that property much more with San Pedro than with Wilmington or Harbor City.

On April 26, 2012, Staff of the City of Los Angeles Planning Department met again jointly with the Planning and Land Use committees of the Northwest, Central and Coastal San Pedro neighborhood councils to present a status report on the San Pedro Community Plan Update. City Planning Staff presented an updated version of the draft community plan that included more detail about the proposed revisions to the existing plan. An issue of concern to many meeting attendees with the revised plan was revised policy language regarding the *Ponte Vista* project that seemed to support a higher density of development than had been discussed at the previous meeting in December 2011. Attendees also had many questions about the reclassification of roadways in the proposed “Mobility” chapter of the revised plan.

City Planning Staff indicated that the “Implementation” chapter of the revised plan was still forthcoming, as was the associated draft Environmental Impact Report (DEIR). The complete draft community plan and DEIR are expected to be released for public review and comment by late spring/early summer of this year, with the goal of presenting the updated community plan to the Los Angeles City Council for adoption by the end of 2012.

On April 30, 2012, Staff forwarded comments on the draft community plan to the City of Los Angeles. Staff awaits the release of the DEIR.

On August 9, 2012, the City of Los Angeles released the Draft Environmental Impact Report (DEIR) for the San Pedro Community Plan Update, along with the Draft Community Plan itself. This began a 45-day public comment period that was set to end on September 24, 2012.

On September 5, 2012, Staff of the City of Los Angeles Planning Department met again jointly with the Planning and Land Use committees of the Northwest, Central and Coastal San Pedro neighborhood councils to present the Draft Community Plan and DEIR. We expressed our concerns about proposed increases in the density/intensity of development that could occur surrounding the intersection of Western Avenue and 25<sup>th</sup> Street under the updated plan, as well as how the updated plan would affect the continued operation of the Rancho LPG butane storage facility on Gaffey Street. We noted that the City's traffic engineer was still reviewing the proposed Mobility Element of the plan and Transportation Improvement Mitigation Program (TIMP), particularly as they relate to roadways and bikeways that link and/or intersect with those in Rancho Palos Verdes.

Following this meeting, we formally asked for a 15-day extension of the public comment period for the DEIR. As of the date that this report was completed, we had not yet received a response to this request. If an extension is not granted, Staff intends to at least submit comments on the DEIR by the September 24, 2012, deadline.

In response to requests from the Northwest San Pedro Neighborhood Council (NWSPNC) and other interested parties (including Staff), the City of Los Angeles granted a 15-day extension of the public comment period on the Draft Environmental Impact Report (DEIR) for the San Pedro Community Plan Update to October 9, 2012. On that date, Staff transmitted the comments to the City of Los Angeles. Staff's comments focus upon issues related to two (2) subareas, encompassing the Rancho LPG facility and the commercial area surrounding the intersection of Western Avenue and 25<sup>th</sup> Street. Staff also noted concerns regarding proposed modifications to 25<sup>th</sup> Street that could adversely impact traffic on Palos Verdes Drive South.

On December 12, 2012, an open house and public hearing were held for the San Pedro Community Plan Update. Unfortunately, Staff was not able to attend. However, the following day Los Angeles City Councilman Joe Buscaino sent a letter to the Department of City Planning, asking for the proposed land use changes surrounding the intersection of Western Avenue and 25<sup>th</sup> Street to be removed from consideration in the plan update. Staff has repeatedly raised concerns about the proposed changes to the density and intensity of future development surrounding this intersection that would be allowed and encouraged under the proposed update to San Pedro Community Plan.

On March 5, 2013, the Harbor Area Planning Commission (HAPC) received a presentation of the proposed San Pedro Community Plan Update. This was presented as an information-only item since the HAPC has no formal role in the review of the plan.

The following week, however, the Los Angeles City Planning Commission (CPC) met in special session on March 14, 2013, at the Boys' and Girls' Club in San Pedro to consider the proposed San Pedro Community Plan Update. Much of the public comment and Planning Commissioner discussion focused on a few issues and plan subareas, including Subarea 10 (Rancho LPG) and Subarea 260 (25th Street and Western Avenue). In Subarea 10, the CPC directed Staff to develop programs to study the future use and expansion potential of the Rancho LPG facility under the proposed land use and zoning. In Subarea 260, the previous proposal for taller and higher-density commercial and mixed-use development around 25th Street and Western Avenue was abandoned.

The San Pedro Community Plan Update next requires review by the Los Angeles City Council's Planning and Land Use Management (PLUM) Committee, and the full City Council and Mayor. The final EIR will also be completed. These reviews are expected to occur later this year. Staff will continue to monitor this project in future Border Issues reports.

## **PROMENADE ON THE PENINSULA MIXED-USE PROJECT (CITY OF ROLLING HILLS ESTATES)**

- *Last Update: February 3, 2009*

On December 15, 2008, the Rolling Hills Estates City Council and Planning Commission met jointly for a "first look" at the *Promenade on the Peninsula* mixed-use project at 520, 550 and 580 Deep Valley Drive. The project proposes sixty-six (66) residential condominiums and 16,620 square feet of additional retail space at the existing *Promenade on the Peninsula* mall. Six (6) of the proposed residences would be designated as affordable to low-income families. The project is located within Rolling Hills Estates' Mixed-Use Overlay District (MUOD), which permits residential densities of up to twenty-two (22) dwelling units per acre. This equates to a base density of fifty-five (55) units. However, the project applicant has requested a 20-percent density bonus under State law, along with a requested development concession to substantially exceed the 44-foot building height with up to five (5) stories of condominium units above the existing commercial buildings. The additional retail space would be constructed within the mall proper and in the existing surface parking lot at the northeast corner of Crossfield Drive and Deep Valley Drive.

The Staff report noted that, given the height and number of stories proposed, Staff was concerned that the project appeared too massive. Staff recommended that the residential units be located in a less stacked and more dispersed manner. Staff further recommended that no residential component be more than two (2) stories above existing commercial uses if the units remain where currently proposed. If the residential



uses were proposed in other portions of the project site, Staff recommended that they be integrated into the existing shopping center such that the overall height of the affected commercial area is no higher or more massive than the existing condition. Staff also expressed concern about the adequacy of off-street parking for the shopping center and residential uses, especially since the new commercial building would reduce the number of available parking spaces. In discussions with Staff, project representatives indicated a willingness to consider integrating a small “boutique” hotel within the project.

At the joint meeting, the project proponents presented a revised project that reduced the height of the residential components of the project; increased the anticipated number of dwelling units to sixty-eight (68); and increased the size and height of the proposed retail building in the surface parking lot near Crossfield Drive and Deep Valley Drive. The Rolling Hills Estates City Council and Planning Commission questioned the potential to “re-purpose” the former Saks Fifth Avenue space as a small hotel; the adequacy of the existing parking structure to meet the needs of the proposed project; the staging and phasing of construction so as to minimize disruption to existing businesses in the mall; the validity of the developer’s assumptions about the positive effects of residential units on the mall, in light of the City’s recent economic analysis of the Peninsula Center district; the design and orientation of some of the proposed dwelling units with respect to the availability of natural light and ventilation; and shade effects upon the existing open areas of the mall. There was general support of project components that would provide more street-level retail space along the perimeter of the mall, especially along Drybank Drive. However, several Councilmembers and Commissioners appeared skeptical about the project as a whole.

Staff expects that an Initial Study (IS) will be prepared for the project in the future. Staff intends to comment on the IS once it is released for public review, and will continue to monitor this project in future Border Issues reports.

## **INTERMODAL CONTAINER TERMINAL FACILITY MODERNIZATION (PORTS OF LOS ANGELES & LONG BEACH)**

- *Last Update: March 3, 2009*

On January 12, 2009, Staff received the Notice of Preparation/Initial Study (NOP/IS) for the proposed modernization of the Intermodal Container Transfer Facility (ICTF) serving the Ports of Los Angeles and Long Beach. The ICTF currently serves as a transfer point to interstate rail lines for containerized freight entering the ports. The project proposes to upgrade and modernize the existing facility with the goals of:

- Reducing emissions at the ICTF by replacing diesel-powered equipment with electric-powered equipment;
- Providing additional near-dock rail capacity and container throughput by increasing operation efficiencies consistent with the Ports’ Rail Master Plan Study and minimizing surface transportation congestion and/or delays;

- Providing enhanced cargo security through new technologies, including biometrics; and,
- Continuing to promote the direct transfer of cargo from port to rail with minimal surface transportation congestion and/or delays.

The NOP/IS will be circulated for a 48-day public review period, which will end on February 25, 2009. A public scoping meeting will be held on February 11, 2009, at 6:00 PM at Stephens Middle School, 1830 W. Columbia St., Long Beach, CA 90810. Staff intended to comment on the NOP.

On February 12, 2009, Staff forwarded comments on the Notice of Preparation (NOP) for the proposed modernization of the Intermodal Container Transfer Facility (ICTF) to the ICTF Joint Powers Authority. Staff will continue to monitor this project in future Border Issues reports.

### **RANCHO LPG BUTANE STORAGE FACILITY (CITY OF LOS ANGELES)**

- *Last Update: April 7, 2015*

For many years, residents in San Pedro and the *Eastview* area of Rancho Palos Verdes have been concerned about the existing Rancho LPG (formerly AmeriGas) butane storage facility at 2110 North Gaffey Street. The Rancho LPG facility is a 20-acre site located at the northeast corner of Gaffey Street and Westmont Drive, across the street from Home Depot and roughly three-quarters of a mile from the nearest homes in Rancho Palos Verdes. The site's most visually-prominent features are two (2) large refrigerated butane storage tanks with a combined capacity of over twenty-five (25) million gallons. Nearby residents have actively sought the relocation of the former Amerigas facility to another site, most recently to Pier 400 in the Port of Los Angeles (POLA).

The Rancho LPG facility handles and stores butane—a by-product of petroleum refining—from the nearby Valero and BP refineries in Wilmington and Carson, respectively. In the past, the transportation of butane from the site utilized an underground pipeline to nearby Berth 120 in Los Angeles Harbor. In 2004, POLA declined to renew AmeriGas' lease for Berth 120. Currently, butane is transported from the facility via rail car and tanker truck. However, Staff understands that Rancho LPG may be pursuing a new lease with POLA to resume the use of the existing underground pipeline.

The explosion of an underground natural gas transmission line in a residential neighborhood in San Bruno, CA, on September 9, 2010, has renewed concerns about the Rancho LPG facility among nearby residents. On September 15, 2010, the *Daily Breeze* reported on a closed-door meeting held by the new owners of the facility, Plains LPG. Another *Daily Breeze* article on October 18, 2010, reported that the City of Los Angeles' Northwest San Pedro Neighborhood Council (NWSPNC) had commissioned an independent risk assessment of the Rancho LPG facility. The September 2010

Quantitative Risk Assessment (QRA) has identified a variety of possible accident scenarios for the facility. These range from a relatively small, on-site mishap with impacts mainly contained to the site, to a sudden, catastrophic failure of the butane storage tanks with impacts extending within a 5- to 7-mile radius from the facility.

The NWSPNC Planning and Land Use Committee was scheduled to meet to discuss the Rancho LPG facility and the QRA on October 28, 2010. Staff planned to attend this meeting.

The Planning and Land Use Committee of the Northwest San Pedro Neighborhood Council (NWSPNC) met on October 28, 2010 to discuss the September 2010 quantitative risk assessment of the Rancho LPG butane storage facility that it commissioned earlier that year. The meeting was attended by roughly two (2) dozen residents and interested parties. NWSPNC's consultant, Cornerstone Technologies, did not attend the meeting to answer questions about its report. Rancho LPG did send representatives to refute the findings and conclusions of the Cornerstone report. Rancho LPG asserts that the Cornerstone report is inaccurate, not credible and not a "true" risk assessment. Of the eight (8) scenarios analyzed in the Cornerstone report, Rancho LPG claims that four (4) were incorrectly modeled and the other four (4)—including the most catastrophic scenarios—are "impossible."

Rancho LPG indicated that it is preparing its own risk assessment for the facility, which it planned to release to the public in January 2011. Staff sent a letter to Rancho LPG on November 5, 2010, asking to be invited to the meeting at which the risk assessment would be presented. In telephone conversations on November 10, 2010, and November 29, 2010, Rancho LPG representatives confirmed that the City would be invited to attend this meeting, which was tentatively set for January 11, 2011.

At the November 30, 2010, City Council meeting, several San Pedro and Rancho Palos Verdes residents addressed the City Council (under "Audience Comments") expressing their concerns about the Rancho LPG facility. Language for a draft resolution was presented to the City Council by members of the San Pedro and Peninsula Homeowners' Coalition. Rather than adopting a resolution, however, Staff recommended sending a letter from the Mayor to Los Angeles City Councilwoman Janice Hahn, relaying our residents' concerns about this facility. A draft letter for this purpose was prepared for the City Council's review and consideration on December 21, 2010.

On December 17, 2010, Staff received an invitation from Rancho LPG Holdings, LLC to attend a January 11, 2011, community meeting regarding the risk analysis for the Rancho LPG facility on North Gaffey Street in San Pedro. The invitation to attend this meeting was extended to elected and appointed community representatives, mostly from San Pedro and its neighborhood councils (Northwest, Central and Coastal).

On December 21, 2010, the City Council considered a letter from Mayor Long to Los Angeles City Councilwoman Hahn regarding the Rancho LPG facility. The letter was

approved with modifications that evening, and sent to Councilwoman Hahn on January 6, 2011. Staff has provided a copy of this letter to Rancho LPG.

The January 11, 2011, meeting hosted by Rancho LPG was held at the Crowne Plaza Hotel in San Pedro. It was the first opportunity for Rancho LPG to present its own risk analysis for the butane storage facility. At the outset, Rancho LPG representatives re-stated their position that the type of catastrophic explosion that occurred in 2010 in San Bruno, CA could not occur at its San Pedro facility; and that the report prepared in 2010 on behalf of the Northwest San Pedro Neighborhood Council (NWSPNC) by Cornerstone Technologies was flawed and could not be relied upon as a “true” quantitative risk analysis for the facility.

Rancho LPG’s consultant, Quest Consultants, presented an extremely detailed 2½-hour oral presentation about the preparation of quantitative risk analyses (in general) and the risks associated with the Rancho LPG facility (specifically). The analysis concluded that the area potentially affected by the most catastrophic events that could realistically occur at the Rancho LPG facility would be several orders of magnitude less than the nearly 7-mile radius affected under the most-catastrophic scenario identified in the Cornerstone report. As modeled by Quest, the nearest residents to the Rancho LPG facility would experience a risk of fatality that is consistent with international standards of “acceptable risk” for similar facilities. It should be noted that seismic risk was not addressed in Quest’s analysis of the Rancho LPG facility. The explanation provided was that there is insufficient data available on the frequency of seismic events for Quest’s risk analysis models to generate meaningful results. However, it was noted that the refrigerated butane storage tanks have passed recent inspections and that they comply with the current International Building Code (IBC). Finally, the Quest representative touched briefly upon the risk of intentional/terrorist attacks upon the facility. Rancho LPG expected to conduct another similar meeting with elected and appointed community representatives in May 2011.

At the April 5, 2011, City Council meeting, a representative of the San Pedro and Peninsula Homeowners’ Coalition addressed the Council and asked it to direct Staff to prepare a letter to U.S. Senators Dianne Feinstein and Barbara Boxer regarding the Rancho LPG facility. A draft letter and other materials were submitted as “Late Correspondence” at that meeting. The City Council received these materials and the comments of the speaker, but did not provide direction to Staff regarding the request for letters to be sent to our U.S. Senators regarding this matter.

On May 11, 2011, Staff attended Rancho LPG’s community relations meeting in San Pedro. At that meeting, a representative of Rancho LPG provided updates on a number of topics related to the facility for the 2010 calendar year, including:

- Incident (i.e., accident) rates for the Rancho LPG facility—which has never had a “significant release event”—were roughly one-third ( $\frac{1}{3}$ ) of the industry standard for similar facilities;

- Facility security has been enhanced with upgraded fencing, video surveillance and security personnel;
- The facility operators have worked with the Department of Homeland Security (DHS) and the Los Angeles Police Department (LAPD) on counter-terrorism issues and training;
- Facility operations have been upgraded by the addition of personnel and the implementation of system automation;
- Under the auspices of the California Accidental Release Prevention (CalARP) program, facility infrastructure has been inspected and (where needed) brought into compliance with the most recent building codes; and,
- A geotechnical seismic evaluation found negligible risks of surface rupture, slope failure or liquefaction at the facility.

Rancho LPG planned to hold another community relations meeting in September 2011.

At the June 7, 2011, City Council meeting, the City Council discussed the previous request to send letters to U.S. Senators Dianne Feinstein and Barbara Boxer regarding the Rancho LPG facility. Staff subsequently prepared these letters for the Mayor's signature, which were sent to Senator Feinstein and Senator Boxer on June 21, 2011.

On August 26, 2011, a member of San Pedro and Peninsula Homeowners United e-mailed Staff, asking for the City Council to support a letter being written to Los Angeles City Attorney Carmen Trutanich. Staff responded that we believed that previous letters from the Mayor that were sent to then-Councilwoman (now-Congresswoman) Janice Hahn, Senator Dianne Feinstein and Senator Barbara Boxer expressed the City Council's concerns and position regarding the Rancho LPG facility. We understood from a report published in the *Daily Breeze* on September 2, 2011, that a similar request was made by this group to the Los Angeles Board of Harbor Commissioners on September 1, 2011.

On September 14, 2011, Staff attended Rancho LPG's latest community relations meeting in San Pedro. At that meeting, a representative of Rancho LPG provided updates on a number of topics related to the facility for the 2011 calendar year. He also distributed copies of a 3<sup>rd</sup>-party independent assessment of the Fall 2010 Cornerstone Technologies and Quest Consultants risk assessment reports for the facility, which was prepared at the request of the Environmental Protection Agency (EPA) by Dr. Daniel Crowl with the Department of Chemical Engineering at Michigan Technical University. Dr. Crowl's assessment concluded (in general) that the Cornerstone report was flawed in its analysis of the risk of catastrophic upset at the Rancho LPG facility, while the Quest report defined more realistic scenarios that were indicative of the actual risk posed by the facility upon the surrounding community. Unfortunately, the meeting deteriorated into a rather heated discussion about the credibility of the analysis on each side of the argument, and the perceived lack of transparency about the operation of the facility.

On September 21, 2011, Staff received a follow-up letter from Rancho LPG. Staff believes that Rancho LPG plans to continue holding community relations meetings in the future.

As “Late Correspondence” for the October 4, 2011, City Council meeting, Staff distributed a copy of a letter from Rancho LPG to the Central San Pedro Neighborhood Council, which included as an attachment a letter from Los Angeles City Attorney Carmen Trutanich to the attorney representing San Pedro and Peninsula Homeowners United. In essence, the letter concluded that the Los Angeles City Attorney’s office did not have sufficient evidence or grounds upon which to revoke Rancho LPG’s right to use a railroad line in Los Angeles city right-of-way or to compel the preparation of a new environmental impact report for the Rancho LPG butane storage facility.

Related to this issue, additional developments and information include the following:

- On October 4, 2011, “Late Correspondence” for that evening’s City Council meeting included an e-mail chain from Jeanne Lacombe.
- On October 7, 2011, Staff was copied on an e-mail from Janet Gunter to the City and Port of Los Angeles regarding the discussion of the Rancho LPG facility at the Board of Harbor Commissioner’s meeting on September 1, 2011.
- On October 10, 2011, the Los Angeles *Times* published an article regarding the Rancho LPG facility.
- On October 13, 2011, Janet Gunter forwarded to Staff a copy of the revocable permit granted to rancho LPG by the Port of Los Angeles for the use of a portion of the rail spur line serving the property.
- On October 17, 2011, Staff received a flyer announcing a community protest to be staged near the Rancho LPG facility on October 29, 2011 (the *Daily Breeze* subsequently reported on this protest on October 30, 2011).
- On October 21, 2011, Staff received a letter from Rancho LPG, which included a letter from the State Attorney General’s office concluding that the State had no grounds to issue an injunction to shut down the facility.
- On October 29, 2011, the Los Angeles *Times* reported that Los Angeles City Councilwoman Jan Perry was calling for an investigation of the Rancho LPG facility.
- On November 14, 2011, Jeanne Lacombe forwarded to Staff a copy of a proposed motion by the Northwest San Pedro Neighborhood Council regarding the insurance requirements for Rancho LPG (which was subsequently adopted).
- On November 20, 2011, Jody James forwarded to Staff a copy of the November 15, 2011, motion by the Port Community Advisory Committee (PCAC) demanding that the Port of Los Angeles revoke the permit allowing Rancho LPG to use the rail spur line serving the property.

On January 9, 2012, Staff received an invitation from Rancho LPG Holdings, LLC to attend the latest regular community relations meeting regarding the Rancho LPG facility. The invitation to attend this meeting was extended to elected and appointed community representatives, mostly from San Pedro and its neighborhood councils

(Northwest, Central and Coastal).

On January 25, 2012, Staff attended Rancho LPG's community relations meeting in San Pedro. At that meeting, representatives of Rancho LPG provided updates on a number of topics related to the facility for the 2011 calendar year, including:

- Facility security continues to be enhanced with upgraded fencing, anti-vehicle measures and security personnel;
- The facility operators continue to work with the Department of Homeland Security (DHS) and the Los Angeles Police Department (LAPD) on counter-terrorism issues and training;
- Facility operations continue to be upgraded by the addition of personnel, the implementation of system automation and upgrades to the on-site rail spurs;
- Facility personnel completed a total of two hundred one (201) hours of safety training; and,
- The facility passed fourteen (14) audits by various oversight agencies, with no "Notices of Violation" issued.

It was noted that, during 2011, the facility received third-party validation of its regulatory and CEQA compliance from the Los Angeles City Attorney and the State Attorney General, as well as third-party validation of the Quest risk analysis by Michigan Tech under the direction of the Environmental Protection Agency (EPA). Also, the facility operator recently launched a new website (<http://www.RanchoLPG.com>) to provide information about the facility to the general public. During the question-and-answer session at the end of the presentation, however, it was clear that concerned members of the nearby community remain opposed to the presence of the facility on the site due to its proximity to homes, schools and businesses, regardless of how safely it may be operated by Rancho LPG.

Rancho LPG has not yet scheduled its next community relations meeting.

The following events have transpired since the last Border Issues update on this facility in early February 2012:

- On February 28, 2012, the *Daily Breeze* reported that LAUSD Board Vice President Richard Vladovic had sent a letter to Governor Brown asking for further investigations into the Rancho LPG facility;
- On March 8, 2012, Staff received an e-mail and photographs from Jody James after a collision between a truck and a train just outside the Rancho LPG facility at Gaffey Street and Westmont Drive;
- On March 12, 2012, Staff received another e-mail from Jody James announcing that the Board of Harbor Commissioners would be discussing the Rancho LPG facility at its meeting on March 15, 2012; and,
- On March 13, 2012, Staff received an e-mail from Jeanne Lacombe regarding the Los Angeles City Attorney's review of the Rancho LPG facility.

On May 1, 2012, Los Angeles 15<sup>th</sup> District City Councilman Joe Buscaino announced that he was asking the City Council's Public Safety Committee to hold a special meeting in San Pedro to consider issues related to liquid bulk storage facilities in the harbor area. Councilman Buscaino posted a brief video of this announcement on the 15<sup>th</sup> District website (<http://www.la15th.com/>), which can also be viewed on YouTube at the following link:

[http://www.youtube.com/watch?feature=player\\_embedded&v=ptadTRmTQ3U](http://www.youtube.com/watch?feature=player_embedded&v=ptadTRmTQ3U)

In late May 2012, Staff received the 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 7<sup>th</sup> BHC agenda.

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. 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 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, 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. Staff was unable to attend this screening.

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

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>.

At the August 21, 2012, City Council meeting Councilwoman Susan Brooks presented an item regarding the Rancho LPG butane storage facility during the “Study Session” portion of the agenda. Two (2) members of the public addressed the City Council, urging it to consider taking a more proactive role in addressing community concern about the facility. The City Council unanimously agreed to direct Staff to agendize this matter for discussion at a future meeting, which is scheduled for October 16, 2012.

As was reported in the *Daily Breeze* on October 18, 2012, the City Council received a report from Staff laying out options to address community concerns about the Rancho LPG facility on October 16, 2012. The City Council unanimously agreed to “step up” monitoring of the facility as a part of the Border Issues Status Report; to reach out to surrounding jurisdictions and agencies; to evaluate the applicability of the Contra Costa County Risk Management Ordinance as model legislation; and to ask Rancho LPG to provide information about liability coverage for the facility. Staff is actively working on all of these initiatives.

On October 20, 2012, the *Daily Breeze* reported on complaints about an odor emanating from the Rancho LPG facility on October 18, 2012. Nearly forty (40) complaints were received from residents all over the South Bay. The South Coast Air Quality Management District (AQMD) has issued a notice of violation to Rancho LPG and launched an investigation.

In response to the City Council’s direction of October 16, 2012, Staff prepared a letter from the Mayor to Councilman Buscaino on November 7, 2012. The letter expresses support for Councilman Buscaino’s recent motions regarding the facility, and urges him to follow-up with the AQMD regarding the leak on October 18, 2012. Copies of this letter were provided to the City Councils and City Managers of Lomita, Palos Verdes Estates, Rolling Hills and Rolling Hills Estates.

Councilman Buscaino made a further motion regarding the Rancho LPG facility on November 13, 2012. This motion directs the Los Angeles City Attorney to report on the insurance requirements and liability coverage of Liquid Bulk Storage/Liquid Petroleum Gas facilities, and to suggest improvements to City laws in this respect.

Following up on the City Council’s direction of October 16, 2012, Staff has been attempting to obtain copies of insurance information regarding the Rancho LPG facility. However, as of the date that this report was completed, legal counsel for the facility operator has not indicated whether or not such information will be provided to the City.

As mentioned in the discussion of the *Ponte Vista* project above, Janet Gunter submitted extensive comments in opposition to the project on the basis that the risk of upset posed by the nearby Rancho LPG facility was not adequately addressed.

As Staff reported orally at the February 4, 2013, City Council meeting, Rancho LPG refused to provide the City Attorney with the requested information regarding its insurance and liability coverage on the grounds that such information was “proprietary.” In response to further requests from Staff and the City Attorney regarding the basis for making this determination, Rancho LPG has not responded. However, Rancho LPG did respond that:

- They had offered to show Councilman Knight and Staff the procedures related to recapturing spilled fuel from the containment basin during a site tour on October 16, 2012, but that we had said that we didn’t have time to review them at the time (Staff does not recall this conversation). They further stated that, while there are procedures in place that are available for review at the site, they would not provide copies of them.
- They were not required to report the normal emergency operation of the flare in January 2013 to the AQMD, the EPA or any other agency.

On February 19, 2013, the Chief Legislative Analyst’s (CLA) Office of the City of Los Angeles released its report on “Safety Regulations and Precautions at Liquefied Petroleum Gas (LPG) Facilities”. The report was prepared in response to several motions by Los Angeles City Councilman Joe Buscaino. After summarizing the legislative and regulatory background affecting the Rancho LPG facility in its report, the CLA made two (2) recommendations:

1. Instruct the Fire Department to develop potential options for a community outreach effort and preparedness exercise with City departments and stakeholders in the San Pedro area, including the facility operator, local Neighborhood Councils, homeowner groups, and other community based organizations.
2. Instruct the Fire Department and Department of Building and Safety, with the assistance of the Chief Legislative Analyst, to report back with a list of inspections conducted by non-City agencies at liquid bulk storage facilities that would benefit City agencies by receiving automatic notification of inspection deficiencies.

Local citizen groups were disappointed in this response, as demonstrated in some of their e-mails.

On February 23, 2013, several concerned citizen groups opposed to the Rancho LPG facility held a “Leadership Forum” at Taper Street Elementary School in San Pedro. Mayor Pro Tem Duhovic, Councilman Campbell and Councilman Knight all attended the meeting, and the meeting was reported upon by the *Daily Breeze* on February 24, 2013.

On March 14, 2013, the U.S. Environmental Protection Agency (EPA) issued a "Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act" to the Rancho LPG facility. This notice apparently stems from site inspections conducted by the EPA in April 2010 and January 2011. The allegations against Rancho LPG include:

- Failing to include the rail storage area of the site in its Risk Management Plan;
- Failing to adequately evaluate seismic impacts upon the facility's emergency flare;
- Failing to address the consequences of a loss of City water for fire suppression during an earthquake;
- Failing to conduct a timely internal inspection of Tank 1 (i.e., one of the 12½-million-gallon butane storage tanks);
- Failing to develop an Emergency Response Plan to protect public health and the environment; and,
- Failing to include a drain pipe and valve in the containment basin in the Mechanical Integrity Program.

Rancho LPG has been given until April 15, 2013, to file written responses to EPA's allegations. EPA anticipates filing its complaint by May 15, 2013. Both the *Los Angeles Times* and the *Daily Breeze* reported on this matter.

At the April 2, 2013, City Council meeting, Mayor Brooks noted that the U.S. Environmental Protection Agency (EPA) had issued a "Notification of Potential Enforcement Action for Violation of Section 112(r)(7) of the Clean Air Act" to the Rancho LPG facility. Rancho LPG was given until April 15, 2013, to file written responses to EPA's allegations. On May 6, 2013, Staff e-mailed the EPA to inquire into the status of Rancho LPG's response. However, as of the date that this report was last updated, Staff had received no response from the EPA.

Beginning in November 2012, San Pedro Peninsula Homeowners United has made several requests of the Los Angeles Department of City Planning (DCP) to initiate nuisance abatement proceedings against the Rancho LPG facility. DCP's response to each of these requests has been that there are no grounds upon which to pursue nuisance abatement against the facility.

In the past two (2) months, Janet Gunter has forwarded several items via e-mail, drawing comparisons between the Rancho LPG facility and other recent hazard issues and events. These have included:

- The Chevron refinery fire in Richmond, CA in August 2012
- The PG&E gas line explosion in San Bruno, CA in September 2010
- The fertilizer plant explosion in West, TX in April 2013
- Recent offshore earthquakes in May 2013

At the June 4, 2013, City Council meeting, the City Council directed Staff to prepare letters to Los Angeles Councilman Joe Buscaino, U.S. Congresswoman Janice Hahn and U.S. Congressman Henry Waxman regarding the Rancho LPG facility. The letters were completed and signed by the Mayor on June 18, 2013. Copies of these letters were also provided to State Senator Ted Lieu and State Assemblymember Al Muratsuchi.

On July 8, 2013, Staff received a phone call from the EPA, advising us that Rancho LPG had submitted written responses to their March 14, 2013, notice, and that the EPA was reviewing these responses. Subsequently, in response to the Mayor's letter of June 18, 2013, Congresswoman Hahn also sent a letter to the EPA on July 10, 2013, asking the EPA to expedite its review of Rancho LPG's response to the violations alleged in the EPA's notice of March 14, 2013. In addition, on July 31, 2013, Congressman Waxman sent a letter to the Department of Homeland Security (DHS), asking for an explanation of apparent discrepancies between the assessment of the risks posed by the Rancho LPG facility to DHS and EPA.

In the past two (2) months, several interested parties have forwarded items via e-mail, drawing comparisons between the Rancho LPG facility and other recent hazard issues and events. These have included:

- The Chevron refinery fire in Richmond, CA in August 2012;
- The fertilizer plant explosion in West, TX in April 2013;
- The train derailment and resulting fire in Quebec, Canada in July 2013, and,
- A gas plant explosion in Florida in July 2013.

In late July and early August, there was a flurry of correspondence from State and Federal legislators—and even the White House—related to the Rancho LPG facility. These included:

- A July 29<sup>th</sup> response from the Environmental Protection Agency (EPA) to Congresswoman Janice Hahn's inquiry about the status of EPA's investigation of alleged violations at the Rancho LPG facility;
- A July 31<sup>st</sup> letter from Congressman Henry Waxman to the Department of Homeland Security (DHS), requesting an explanation of apparent discrepancies between the public safety assessments for the Rancho LPG facility by EPA and DHS;
- A July 31<sup>st</sup> letter from State Senator Ted Lieu to the State Fire Marshal, raising a number of questions about the safety of a facility such as Rancho LPG in close physical proximity to surrounding homes, schools and businesses;
- An August 1<sup>st</sup> Executive Order from the White House, calling for a variety of initiatives to improve the safety and security of chemical facilities; and,
- An August 1<sup>st</sup> letter from Congresswoman Janice Hahn to the House Subcommittee on Railroads, Pipelines and Hazardous Materials, asking the Subcommittee to conduct a local field hearing on the laws and regulations that govern hazardous facilities near homes and schools.

As reported to the City Council in the October 1<sup>st</sup> Border Issues Status Report, Senator Ted Lieu sent a letter to the State Fire Marshal on July 31, 2013, asking her to investigate a number of issues related to the Rancho LPG facility. On December 12, 2013, *Rolling Hills Riviera* Homeowners' Association President Jeanne Lacombe forwarded to Staff a copy of the response from the State Fire Marshal. The State Fire Marshal's letter states that bulk LPG storage facilities are not within that agency's "statutory and regulatory responsibilities," and referred Senator Lieu to the State Office of Emergency Services and the Los Angeles Fire Department.

In August 2013, President Obama issued Executive Order No. 13650 (EO 13650) regarding the safety and security of chemical facilities in the United States, shortly after explosions at a fertilizer plant in Texas and a propane plant in Florida. Under EO 13650, a working group of high-level officials of various Federal agencies was formed to address this issue. On January 8, 2014, Staff learned from Representative Henry Waxman's office that the working group would be hosting two (2) public "listening sessions" to receive input on EO 13650 over the next two (2) days. Staff attended the daytime session held at UCLA on Friday, January 10, 2014, and also sent an e-mail regarding these "listening sessions" to subscribers of the City's Border Issues listserv group.

At the January 10<sup>th</sup> meeting, Staff addressed officials of the Environmental Protection Agency (EPA), the Occupational Health and Safety Administration (OSHA), the Department of Homeland Security (DHS) and the Department of Transportation (DOT). We asked that the EO 13650 working group to:

- Take a holistic approach to reviewing the safety and security of all liquid bulk storage facilities in the Los Angeles Harbor area;
- Make the existing risk management plans for these facilities more easily accessible for public review than is currently the case; and,
- Facilitate the preparation of a quantitative risk assessment for Rancho LPG and similar facilities in the Harbor area by an independent, neutral third party.

Rancho LPG opponents and the facility's operator also addressed the EO 13650 working group at the meeting.

On Monday, January 13, 2014, Lisa Pinto, District Director for 33<sup>rd</sup> District U.S. Congressman Henry Waxman, was invited to address the Northwest San Pedro Neighborhood Council (NWSPNC). Last summer Congressman Waxman sent a letter to the then-Secretary of DHS, Janet Napolitano, asking DHS to explain apparent discrepancies between the EPA and DHS assessments of the preparedness of the Rancho LPG facility to respond to an accident. Ms. Pinto stated that Congressman Waxman was still waiting for a response from DHS. She also stated that, with respect to the EPA notice issued to Rancho LPG last March, she was aware of updates to the status of this enforcement action but was not yet at liberty to discuss them publicly. On Tuesday, January 21, 2014, sent the attached e-mail to NWSPNC meeting attendees

and other interested parties, confirming that there was very little that could be shared publicly about the status of the open EPA enforcement action.

In December 2013 and January 2014, interested parties have continued to forward items regarding and related to the facility via e-mail.

As “Late Correspondence” at the February 4, 2014, City Council meeting, Senator Ted Lieu’s office sent an e-mail and additional correspondence from the State Fire Marshal and the Governor’s Office of Emergency Services (CalOES). These letters clarified that the State Fire Marshal does have jurisdiction over the butane storage tanks, and that no violations were noted when they were last inspected in March 2012. The letter from CalOES also noted that the facility had passed recent local, State and Federal inspections.

On February 10, 2014, the City received a request from Rudy Svorinich on behalf of Rancho LPG Holdings for the City to remove certain content related to the Rancho LPG facility from the City’s website. Staff sent a response to Mr. Svorinich on February 20, 2014, declining to remove this content on the grounds that it expresses its authors’ beliefs and views, and is a matter of public record since it was submitted to the City in relation to a matter on a City Council agenda.

In February 2011, the Port of Los Angeles renewed a month-to-month permit with Rancho LPG, allowing it to continue to use a small portion of a rail spur line crossing Westmont Drive at Gaffey Street. The rail spur along Gaffey Street carries rail tank cars to and from the Rancho LPG facility, and is operated by Pacific Harbor Lines, the railway that provides for the internal movement of cargo and materiel within and between the ports of Los Angeles and Long Beach. In June 2012, the Port of Los Angeles Community Advisory Committee (PCAC) and opponents of the Rancho LPG facility unsuccessfully sought the revocation of this permit by the Board of Harbor Commissioners (BHC).

The use and stewardship of public tidelands within the Port of Los Angeles is subject to the oversight of the State Lands Commission (SLC), which consists of the Lieutenant Governor, the State Controller and the State Finance Director (or their respective designees). For several years, opponents of the Rancho LPG facilities have asserted that the Port improperly issued this rail spur permit. Therefore, when the Commission recently met in Los Angeles on April 23, 2014, a group of Rancho LPG opponents appeared and spoke about this issue under “Public Comments.” At the conclusion of their testimony, the Commission agreed to agendaize the matter for its next meeting, seeking from its staff answers regarding:

- The Commission’s role and possible actions to be taken in this matter; and,
- The State’s liability exposure as a result of this matter.

The next SLC meeting will be on Thursday, June 19, 2014, at 10:00 AM. Although the Commission will be meeting at the State Capitol in Sacramento, a remote location in the Los Angeles area will be provided to view the proceedings and provide testimony.

On April 24, 2014, the City Council received a letter from Ron Conrow of Rancho LPG Holdings, LLC, regarding insurance coverage for the facility and other related issues. It was not immediately clear what precipitated this unsolicited letter, although Staff presumed that it was related to issues expected to be raised at a refinery safety meeting to be held in Wilmington the following week. Rolling Hills Riviera Homeowners' Association President Jeanne Lacombe submitted responses to Mr. Conrow's letter on April 28, 2014.

On April 29, 2014, Staff attended the above-mentioned refinery safety meeting in Wilmington. The meeting of the State Interagency Refinery Task Force was held at Wilmington Middle School. A fire at the Richmond, CA Chevron refinery in August 2012 has raised public questions and concerns about refinery safety and emergency response in California. Following a directive from Governor Brown's July 2013 report "Improving Public and Worker Safety at Oil Refineries," CalEPA formed an Interagency Task Force on Refinery Safety in August 2013. The Task Force membership includes ten (10) state agencies, U.S. EPA, and local agencies from areas of the State that contain refineries. Their mandate is to work collaboratively to achieve the highest possible level of safety for refinery workers and local communities, and prepare for and effectively respond to emergencies if they occur.

At the April 29th "information session," issues discussed included workplace safety and injury prevention; emergency preparedness and response; and air quality monitoring in surrounding communities. Concerned community members raised issues for the task force to consider regarding the safety of both harbor area refineries (generally) and the Rancho LPG facility (specifically). Mr. Conrow attended this meeting. Following the meeting, Janet Gunter forwarded additional information to the Task Force. Additional information regarding the activities of the Task Force is available on the CalEPA website at <http://www.calepa.ca.gov/refinery>.

On May 14, 2014, Lisa Pinto of Congressman Henry Waxman's Staff e-mailed interested parties to advise them of the status of the EPA enforcement action that was initiated in March 2013. Unfortunately, Ms. Pinto was unable to provide much more information than to confirm that settlement negotiations are on-going.

At the request of Councilman Campbell, during the Study Session at the City Council meeting of May 20, 2014, the City Council considered agendaing the Rancho LPG issue at a future meeting. In addition to the posted report from Councilman Campbell, several interested parties submitted Late Correspondence and/or oral testimony. This included a letter from Congresswoman Janice Hahn encouraging the Rancho Palos Verdes City Council to "take the lead on this issue." Ultimately, the majority of the City Council supported a motion to:



Direct Mayor Duhovic to contact City of Los Angeles Councilman Buscaino to address the issues raised and return with a full report to the City Council; and direct Mayor Duhovic and City of Los Angeles Councilman Buscaino to work out the particulars of a possible public joint workshop to hear the concerns of all members of the public regarding the Rancho LPG Tank Facility.

Janet Gunter contacted Staff the following day and requested a copy of the PowerPoint slide submitted by Ron Conrow, which was displayed at the May 20th meeting. She later expressed her belief that this exhibit was inaccurate.

In response to "Late Correspondence" submitted during the May 20, 2014, Study Session item to consider agendaizing the Rancho LPG matter as a "stand alone" item on a future City Council agenda, Rancho LPG's Ron Conrow provided a copy of a letter to Congresswoman Hahn on May 29, 2014. The letter criticizes many of the points raised in Congresswoman Hahn's May 20<sup>th</sup> letter.

Back in October 2013, the Los Angeles City Council Public Safety Committee considered a motion by Councilmembers Buscaino and Englander relative to establishing a CalARP inspection section on the Los Angeles Fire Department (LAFD) website. The purpose of the CalARP program is to prevent accidental releases of substances that can cause serious harm to the public and the environment, to minimize the damage if releases do occur, and to satisfy community right-to-know laws. This is accomplished by requiring businesses that handle more than a threshold quantity of a regulated substance listed in the regulations to develop a Risk Management Plan (RMP).

An RMP is a detailed engineering analysis of the potential accident factors present at a business and the mitigation measures that can be implemented to reduce this accident potential. The CalARP program is implemented at the local government level by Certified Unified Program Agencies (CUPAs) also known as Administering Agencies (AAs). The LAFD has been designated the City of Los Angeles' local agency tasked with CalARP inspections and compliance oversight, including the review of RMPs, and conducts safety inspections at fifty (50) facilities within city limits that fall under CalARP monitoring standards.

At the request of the 15<sup>th</sup> City Council District, the City of Los Angeles Chief Legislative Analyst's (CLA's) office completed a review of CalARP standards to determine the safety of above ground liquid-bulk storage tanks. CLA analysis did not find any flaws in the safety standards or the inspections performed by LAFD. However, it was suggested that while LAFD is completing all CalARP inspections, the information is not effectively communicated to nearby residents and other interested parties. Therefore, it was recommended that the LAFD find a new way to educate the public regarding the standards that CalARP-identified facilities must adhere to, and the results of inspections they conducted. In response, LAFD has developed a CalARP inspection page for its website.

On June 13, 2014, the Public Safety Committee received a presentation from Councilman Buscaino's Staff and LAFD Staff regarding the CalARP inspection page. Interested parties addressed the Committee and expressed their objections to the continued operation of the Rancho LPG facility. The Committee then moved to recommend approval of the CalARP inspection page to the full Los Angeles City Council on June 24, 2014.

At the Los Angeles City Council meeting on June 24<sup>th</sup>, the Los Angeles City Council unanimously approved the Public Safety Committee's motion and forwarded it to Los Angeles Mayor Eric Garcetti for his signature. The LAFD CalARP page is now operational at <http://lafd.org/CalARP>.

The State Lands Commission (SLC) held its regular, bi-monthly meeting on Thursday, June 19, 2014. Based upon requests made by interested parties at the April 2014 SLC meeting, the June 19<sup>th</sup> agenda included an item for the review of the revocable permit issued by the Port of Los Angeles in 2011 for a segment of the rail spur that serves the Rancho LPG facility. Although the SLC meeting was held in Sacramento, a remote location in Long Beach was provided for observation and testimony. Staff and Councilman Campbell attended the meeting at the remote location in Long Beach.

SLC Staff summarized the conclusions of the Staff report. They noted that the SLC has limited authority to challenge the actions of trustee agencies such as the Port of Los Angeles, short of filing suit. They also laid out an argument that the issuance of the revocable permit for the rail spur serving the Rancho LPG facility is "not inconsistent" with the Port's statutory trust grant or the common law Public Trust Doctrine. It was noted that revocation of this permit would not prevent Rancho LPG from continuing to use the rail spur—which is governed by Federal law—but would deprive the Port of the lease revenue (approximately \$15,000/year), insurance coverage (\$1 million) and indemnification from Rancho LPG. SLC Staff also noted that they were unsuccessful in obtaining copies of insurance and bond information from Rancho LPG on the grounds that the information is proprietary—the same response that our City received to its request in 2012. However, in a letter to SLC Staff, the parent company of Rancho LPG apparently stated that it carries \$500 million in 3<sup>rd</sup>-party liability coverage.

The SLC accepted public testimony on this matter, both live in Sacramento and via video teleconference in Long Beach. Speakers in Sacramento included Rancho LPG opponents (Noel Weiss, Janet Gunter and Chuck Hart) and Rancho LPG representatives (Rudy Svorinich and Ron Conrow). Speakers in Long Beach included City Staff, Councilman Campbell, Port of Los Angeles Staff and a number of Rancho LPG opponents from San Pedro and Rancho Palos Verdes. Meeting video is on the SLC website at <http://www.cal-span.org/cgi-bin/archive.php?owner=CSLC&date=2014-06-19> (starting at approximately 27:30).

At the conclusion of public testimony, SLC Chairman Alan Gordon expressed his sympathy with concerned residents living near the Rancho LPG facility, noting that the

facility would probably not be permitted at this location today. He also noted that Rancho LPG has the permits that it needs to continue to operate and is not located on land within the SLC's jurisdiction. However, he expressed concern about Rancho LPG's reluctance to provide information to demonstrate that the Port is sufficiently indemnified for the financial risk posed by the lease of the rail spur line, opining that the \$500 million in 3<sup>rd</sup>-party liability was "absurd." Therefore, he made a motion to re-agendize this matter for a future meeting, pending the submittal of additional information from Rancho LPG to determine the liability exposure of the State, the City of Los Angeles and other potentially affected parties. The motion was approved.

Since the SLC meets bi-monthly, Staff anticipates that the continued discussion of this matter will probably not occur until the meeting of August 15, 2014, which is scheduled to be held in the Bay Area. We have made inquiries with SLC Staff about the possibility of arranging for another local remote location for this future SLC meeting, but had not received any response as of the date that this report was completed.

While Staff was attending the SLC meeting on June 19<sup>th</sup>, we received the an e-mail from Congressman Waxman's office, indicating that senior staff from the Department of Homeland Security (DHS) would be hosting a community meeting to discuss issues related to the Rancho LPG facility sometime in late summer to early fall of this year. Staff has subsequently learned that this meeting is tentatively scheduled for the first half of September 2014. We will forward additional information about the date, time and location of this meeting as it becomes available.

On July 15, 2014, Councilman Campbell forwarded the "Interim Chemical Accident Prevention Advisory" from the EPA to Staff. The was apparently issued as an advisory to the operators of natural gas processing plants that store and process liquefied petroleum gas (LPG) products, with the purpose of raising industry awareness of codes and standards that may be applicable to such facilities. Since the Rancho LPG facility does not process natural gas, it was not clear to Staff how applicable this advisory would be to its operations. The public comment period on the interim advisory ended on July 31, 2014.

In March 2013, the EPA issued a Notice of Potential Enforcement Action to Rancho LPG for alleged violations of the Clean Air Act. There were six (6) allegations cited in the notice, resulting from EPA inspections to the facility in April 2010 and January 2011. A copy of the March 2013 notice is attached for reference.

On July 24, 2014, the EPA filed a Consent Agreement and Final Order (Agreement) in the matter. The Agreement found that Rancho LPG had violated the Clean Air Act on four (4) of the six (6) counts articulated in the March 2013 notice, and fined Rancho LPG \$260,000. At this point, it is not clear why the other two (2) counts from the March 2013 notice—related to the Rancho LPG facility's rail storage area and its emergency response plan—are not addressed in the Agreement. However, Staff has been advised by the EPA that a subsequent letter explaining the status of these additional counts is forthcoming.

Rancho LPG opponents have characterized the EPA penalty as “a slap on the wrist.” Rancho LPG has thirty (30) days to remit payment of the penalty to the EPA.

On September 10, 2014, Congressman Henry Waxman’s office hosted a public meeting with senior staff from the Department of Homeland Security (DHS) and the Environmental Protection Agency (EPA) to discuss Federal chemical safety and security programs and issues related to the Rancho LPG facility. Staff attended the September 10th meeting at Peck Park in San Pedro, as did Mayor Duhovic, Mayor Pro Tem Knight and Councilmember Campbell. In a statement read by a member of her staff, Congresswoman Janice Hahn reiterated her belief that the relocation of the Rancho LPG facility will be “the only permanent solution” to community concerns. She reiterated that she had called for a field hearing of the House Transportation and Infrastructure Subcommittee on Railroads, Pipelines and Hazardous Materials regarding the Rancho LPG facility in August 2013. She also stated that she believed that the recent \$260,000 settlement with EPA helped to minimize the risk of the facility to the community.

DHS Staff described DHS’ focus on counter-terrorism and stated that the Rancho LPG facility is one of approximately 4,000 facilities nationwide that are required to have approved site security plans under the Chemical Facility Anti-Terrorism Standards (CFATS) program. It was announced that Rancho LPG had had its CFATS inspection just a week or so before the September 10th meeting. For security reasons, however, DHS was not able to discuss any specific measures undertaken to secure the Rancho LPG facility.

EPA Staff described EPA’s focus on emergency preparedness and prevention, noting that there are only six (6) EPA inspectors to cover 1,100 EPA-regulated facilities in Region 9 (Arizona, California, Hawaii and Nevada). There was also discussion of Executive Order No. 13650, wherein EPA, DHS and the Occupational Health and Safety Administration (OSHA) are seeking community input about how to make existing chemical facilities safer. Finally, EPA Staff reviewed the final outcome of the investigation into the six (6) causes of action listed in the March 2013 “show cause” letter from EPA to Rancho LPG, which resulted in the \$260,000 settlement that was announced earlier this year.

In general, both DHS and EPA indicated that the Rancho LPG facility was operating in compliance with the Federal regulations applicable to the facility. In response to a question posed by City Staff, EPA stated that the two (2) causes of action from the March 2013 letter that were not addressed in the settlement had been effectively “dropped” as a result of additional consultations between EPA and Rancho LPG. Based upon the questions posed by many attendees, it is clear that they were not satisfied with the answers and explanations provided by DHS and EPA.

After considering the revocable permit issued by the Port of Los Angeles in 2011 for a segment of the rail spur that serves the Rancho LPG facility on June 19, 2014, the State

Lands Commission (SLC) agreed to re-agendize the matter for a future meeting, pending the submittal of additional information from Rancho LPG to determine the liability exposure of the State, the City of Los Angeles and other potentially affected parties. Staff anticipates that the continued discussion of this matter may occur appear on the agenda for the SLC's meeting of October 14, 2014, which is scheduled to be held somewhere in the Los Angeles area. Staff will keep the City Council and interested parties apprised as we receive more information about the agenda and location of the upcoming SLC meeting.

In August and September 2014, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

Under the Border Issues Status Report at the October 7<sup>th</sup> City Council meeting, the Council discussed sending a letter to the State Lands Commission (SLC) regarding the Rancho LPG-related item on its October 14<sup>th</sup> agenda. Mayor Duhovic had prepared a draft letter and, after some Council discussion and revisions, read it into the record of the meeting. It was Staff's understanding of the City Council motion that the letter read into the record would be sent to Staff to then be routed to the Councilmembers for review, but if any Councilmember objected to sending the letter as proposed, the letter would not be sent to the SLC unless it was presented to the Council for formal review as an agendized item at a subsequent, duly-noticed public meeting. An objection to the letter was raised by a Councilmember, so the letter was not sent to the SLC.

On October 14, 2014, the SLC met in Santa Monica. At the conclusion of its June 19, 2014, review of the revocable permit for the rail spur serving the Rancho LPG facility that had been approved by the Port of Los Angeles, the SLC had asked for additional information regarding the insurance coverage provided for the Rancho LPG facility; the relationship of the owner/operator of the Rancho LPG facility to its parent company, Plains All-American Pipeline, LP (Plains); and the status of the EPA enforcement action initiated by the "show cause" letter of March 14, 2013.

With respect to insurance coverage, Rancho LPG provided a listing of insurance policies totaling \$500 million in liability coverage to cover 3<sup>rd</sup>-party claims. However, as it had done with our City Council, Rancho LPG refused to provide either the SLC or the State Attorney General with copies of its insurance policies. Rancho LPG legal counsel advised the SLC that it had no authority to review these policies and that their contents were proprietary. Interestingly, however, the Staff report noted that Plains had offered to provide a 3-year parental guarantee agreement in favor of the SLC and the Port of Los Angeles to cover uninsured losses or damages from a "casualty event" at the Rancho LPG facility. Under questioning from the SLC, Rancho LPG legal counsel was unsure if this agreement would cover loss or damage occurring outside the boundary of the Rancho LPG facility, but he seemed to suggest that it might.

With respect to the familial relationship of the Rancho LPG facility to Plains, an abbreviated organizational chart was provided to the SLC. The chart shows several layers of limited partnerships and limited-liability corporations between Rancho LPG and

Plains.

Finally, with respect to the EPA's enforcement action, the SLC was updated on the conclusion of the EPA's review and the assessment of the \$260,000 fine earlier this year. The September 10<sup>th</sup> meeting with EPA and the Department of Homeland Security (DHS) was also discussed. The SLC was advised that the Rancho LPG facility was currently operating on compliance with EPA and DHS regulations.

The SLC received public comments from nearly twenty (20) speakers, mostly local community members opposed to the Rancho LP facility who raised issues and concerns with which the City Council is already familiar. Although representatives of Rancho LPG were present, only their legal counsel spoke (reluctantly) under questioning from the SLC. To Staff's knowledge, there were no representatives of the City or Port of Los Angeles in attendance.

At the conclusion of the hearing, SLC Chair Alan Gordon (representing State Controller John Chiang) acknowledged the concerns of the community regarding the Rancho LPG facility, but noted that the SLC's authority was limited to the segment of the rail spur covered by the revocable permit. He noted that even if the permit were revoked, it was likely that Rancho LPG could and would continue to use the rail spur. At most, the SLC would only be able to send a letter to the Port asking it to consider revoking the permit. However, the SLC did approve a motion to direct its Executive Director to:

- Continue pressing the Port to review its permitting procedures;
- Negotiate with Plains regarding the proposed parental guaranty agreement; and,
- Contact the Los Angeles Mayor's Office and Fire Department regarding the status of City inspections.

If this matter is agendized again in the future for the SLC's review, Staff will advise the City Council of this as far in advance as possible.

In October and November 2014, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

On the early afternoon of Friday, December 5, 2014, Staff received an e-mail from *Rolling Hills Riviera* Homeowners' Association President Jeanne Lacombe regarding an incident that her husband had just observed at the Rancho LPG facility. The e-mail stated:

*At approximately 12:35 pm today my husband Pete was on Westmont and Taper Avenue area and observed a massive burn off at the refinery next to Rancho Holdings and he was alarmed to see three large fountains of water shooting near the impound basin at the Rancho Holdings facility. Fearing for his safety and knowing they do not have any public notification system like sirens he immediately turned around and left the area.*

*I would like to know what happened today. Was there an accidental release of butane?*

*This facility has no warning system and we are uninsured for any damage that is caused by the Rancho facility and that is a huge concern for our community.*

Northwest San Pedro Neighborhood Council Ray Regalado subsequently asked Jacob Haik and Ryan Ferguson in Councilman Buscaino's office to find out what had happened at Rancho LPG. Mr. Ferguson then contacted Ron Conrow with Rancho LPG to inquire about the incident observed by Mr. Lacombe. Within less than two (2) hours of Mr. Ferguson's inquiry, Mr. Conrow responded as follows:

*I would recommend that Mr. Lacombe contact the refinery if he saw a massive burn off from their flare as we do not make responses for other facilities.*

*With regards to Rancho, they were performing due diligence by testing fire suppression and all safety shutdown systems in the facility due to an electrical wiring issue associated with the recent heavy rainfall. The LAFD Station 36 and the SCAQMD was notified by the Facility Supervisor prior to testing the systems. All systems tested and worked as designed and both agencies were notified following testing. The 3-fountains were the fire water cannons which can be maneuvered as needed from the control room.*

*There was no product (butane/propane) release from the Facility as a result of fire/safety systems testing. For the record, Rancho has numerous vapor detectors located throughout the Facility as well as flame detectors. Any product alarms at 20% LEL and at 40% LEL the Facility Emergency Shutdown (ESD) automatically shuts down the entire facility immediately activates fire suppression systems and cannot be overridden by the Operator. Should such an event occur all ESD's must be manually reset by the Operator and then cleared on the Control Room PC to restart the facility.*

*Per our Emergency Response Plan (ERP), should a product release occur the Operator will call 911 and responders will notify and direct the community as warranted.*

Mrs. Lacombe forwarded this response to Staff and to Councilmembers Campbell and Duhovic on the afternoon of Saturday, December 6, 2014. Mrs. Lacombe states that the Environmental Protection Agency (EPA) told her that the Fire Department and SCAQMD were not notified of this test in advance, as claimed by Mr. Conrow in his response to Mr. Ferguson. Later, on December 8, 2014, Mrs. Lacombe advised Staff that the flare observed by her husband was Rancho LPG's flare, not one at the

adjoining ConocoPhillips refinery.

The Northwest San Pedro Neighborhood Council (NWSPNC) was scheduled to hold its regular monthly board and stakeholder meeting on Monday, December 8, 2014, at Peck Park in San Pedro. Staff attended this meeting to see what additional information might be presented regarding the December 5<sup>th</sup> incident at the Rancho LPG facility. Staff from Councilman Buscaino's office regularly provides information and fields questions from meeting attendees about issues of concern as a "standing" agenda item. Mr. Conrow was present for this portion of the agenda to discuss the incident and respond to questions.

Mr. Conrow stated that the recent heavy rains had caused an electrical "short" at the facility. In order to make the necessary repair, the Rancho LPG facility had to be shut down temporarily. Mr. Conrow stated that the Los Angeles Fire Department and the AQMD were advised before the shutdown. Mr. Conrow stated that before the facility could be brought back "on-line," the fire safety and suppression systems for the facility needed to be tested. These were the "fountains of water" observed by Mr. Lacombe and others. In response to questions and discussion, it was clarified that the "massive flare" observed was Rancho LPG's flare, not one of the flares at the adjacent ConocoPhillips refinery. Mr. Conrow did not have any knowledge of the Rancho LPG flare in this incident (as it had been originally reported to him), although he pointed out that the burning of the Rancho LPG flare was "normal," and this could have been a part of bringing the facility back "on line" after the temporary shutdown. Mr. Conrow stated that Rancho LPG would notify Council District No. 15 in the event of similar testing or incidents at the facility in the future.

Another flaring event occurred at the adjacent ConocoPhillips refinery on the evening of Monday, January 12, 2015. This event was unrelated to the Rancho LPG facility.

In December 2014 and January 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail.

In February and March 2015, interested parties have continued to forward items regarding and related to the Rancho LPG facility via e-mail. Staff will continue to monitor this project in future Border Issues reports.

### **5883 CREST ROAD CONDOMINIUM PROJECT (CITY OF ROLLING HILLS ESTATES)**

- *Last Update: February 3, 2015*

In 2004, the City of Rolling Hills Estates granted development entitlements for a small retail/office building on the site of a former gasoline service station and commercial plant nursery at 5883 Crest Road (located at the northeast corner with Highridge Road). At the time, Staff monitored this proposal in the Border Issues Status Report. In the past decade, the property owner has been unsuccessful in developing the approved



project.

In July 2013, the Rolling Hills Estates City Council and Planning Commission jointly conducted a “first look” review at a proposal to subdivide this 0.52-acre parcel and allow the development of four (4) residences (i.e., “patio homes”). Staff reported on this “first look” review in the Weekly Administrative Report of October 9, 2013, when temporary framework “silhouettes” had been erected on the property. The property owner subsequently filed the necessary applications with the City of Rolling Hills Estates for the proposed project, including a General Plan Amendment, Zone Change, Zone Text Amendment, Tentative Parcel Map, Conditional Use Permit, Grading Permit, Neighborhood Compatibility Determination and Minor Deviation.

On October 10, 2014, the City received notification that a Mitigated Negative Declaration (MND) has been prepared for the proposed project. The complete MND may be reviewed on-line at the following link:

<http://www.ci.rolling-hills-estates.ca.us/Modules/ShowDocument.aspx?documentid=12297>

The public comment period for the MND ended on Monday, November 24, 2014, and a public hearing before the Rolling Hills Estates Planning Commission was scheduled for 7:00 PM on Monday, December 1, 2014. On November 17, 2014, Staff submitted comments on the MND to the City of Rolling Hills Estates.

On December 1, 2014, the Rolling Hills Estates Planning Commission conducted a public hearing to review the proposed 4-unit residential project at 5883 Crest Road, located at the northeast corner with Highridge Road. The Planning Commission expressed a number of serious concerns with the proposed project, including the size, number and design of the proposed homes; the proposed site grading; and the justification for the requested General Plan Amendment, Zone Change and Zone Text Amendment. A representative of the nearby *Seabreeze* homeowners’ association in Rancho Palos Verdes expressed a number of objections to the project. Staff was also provided with a formal response to our comments on the project’s Mitigated Negative Declaration.

At the conclusion of the meeting, the project proponent agreed to continue the matter to a future date uncertain in order to work with Rolling Hills Estates Staff to address the issues raised by the Planning Commission. Staff will continue to monitor this project in future Border Issues reports.

## **80 SADDLEBACK ROAD PARCEL MAP (CITY OF ROLLING HILLS)**

- *Last Update: April 7, 2015*

In August 2014 Staff was directed not to pursue the acquisition of a 14.63-acre tax-defaulted property in George F Canyon. The Palos Verdes Peninsula Land Conservancy (PVPLC) subsequently filed a timely application with the County to acquire

this property. The property was not redeemed by the property owner prior to last month's County tax sale auction, so it is expected that PVPLC will be completing the acquisition of this property from the County for open space purposes.

On November 3, 2014, Staff received a notice from the City of Rolling Hills regarding a proposed lot-split at 80 Saddleback Road. This 7.05-acre property abuts the northwesterly boundary of the George F Canyon parcel. The proposal currently before the City of Rolling Hills is only to subdivide this property in two (2) lots, the previous home on the property having been demolished in 2013. However, it is expected that each resulting lot will eventually be developed with a new, single-family residence. The City of Rolling Hills has prepared a draft Mitigated Negative Declaration (MND) to address the potential environmental effects of the proposed project.

The Rolling Hills Planning Commission opened the public hearing for this proposal on Tuesday, November 18, 2014. The George F Canyon parcel contains coastal sage scrub (CSS) habitat and the creek bed in the bottom of the canyon is identified as a "blue-line stream" on USGS topographic maps. Depending on the placement and configuration of future structures on the new lots, it is possible that fuel modification zones might encroach upon CSS habitat on the George F Canyon parcel in Rancho Palos Verdes. Staff expressed these concerns to the Rolling Hills Planning Commission, and followed up with written comments on November 19, 2014.

Rolling Hills has asked for comments on the MND to be submitted by December 5, 2014, and the Rolling Hills Planning Commission was expected to take final action on the proposal on December 16, 2014.

The Rolling Hills Planning Commission was expected to review this application again and provide direction to Rolling Hills Planning Staff on December 16, 2014. However, due to heavy rain that day, the Planning Commission was not able to complete its required field trip to the site. In addition, the biological survey for the property had just been completed, but not yet reviewed. Therefore, the public hearing was continued to January 20, 2015.

At its January 20<sup>th</sup> meeting, the Rolling Hills Planning Commission considered the proposed lot split, and directed its Staff to prepare a resolution recommending approval to the Rolling Hills City Council. The Rolling Hills Planning Commission is expected to adopt this resolution on February 17, 2015. The Rolling Hills Planning Commission meets at 6:30 PM at Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, CA 90274.

The Rolling Hills City Council conducted a public hearing on the proposed lot-split on March 9, 2015, and directed its Staff to prepare a resolution for the approval of the project. The City Council subsequently adopted this resolution at its meeting on March 23, 2015. Therefore, Staff will remove this project in future Border Issues reports.

## **GAFFEY STREET CONCEPTUAL PLAN (CITY OF LOS ANGELES)**

- *Last Update: April 7, 2015*

On November 19, 2014, Staff attended a joint meeting of the Planning and Land Use Committees of the Central and Northwest San Pedro Neighborhood Councils. Among the items discussed is a proposal by the Los Angeles Neighborhood Alliance (LANI) to develop a conceptual plan for streetscape improvements along Gaffey Street between 13<sup>th</sup> Street and the terminus of the Harbor (I-110) Freeway. A copy of the streetscape concept design and additional information about the Gaffey Street proposal is available on the LANI website (<http://lani.org/projects/gaffey-street-conceptual-plan/>).

Among the most notable features of the concept design is the proposal to eliminate one (1) existing travel lane in each direction on Gaffey Street between 5<sup>th</sup> Street and the Harbor Freeway terminus, to be replaced by on-street parallel parking with permeable pavement. Landscaped medians would be added, sidewalks would be widened and curb “bulb outs” would also be installed at street intersections.

As the City Council is aware, the Gaffey Street ramps are a primary access point to the Harbor Freeway for Rancho Palos Verdes residents, particularly those residing on the south and east sides of the City. Staff is particularly concerned that the concept design proposes to eventually reduce the northbound freeway on-ramp to a single lane. Staff is also concerned that the implementation of these “traffic calming” measures will shift north-south traffic in San Pedro to Western Avenue, which is already heavily impacted during peak-hour periods.

At the November 19<sup>th</sup> meeting, many Neighborhood Council members, San Pedro residents and other area stakeholders shared our concerns about the proposed lane reductions. As a result of this meeting, it appeared to Staff unlikely that this component would make it into final plan for Gaffey Street.

Another joint meeting of the Planning and Land Use Committees of the Central and Northwest San Pedro Neighborhood Councils was held on January 8, 2015, for the purpose of discussing the lane-reduction proposal. This meeting generated a very large crowd of project opponents. At the outset of the meeting, 15<sup>th</sup> District Los Angeles City Councilmember Joe Buscaino announced that the lane reduction component of the project was “off the table.” LANI Staff and consultants then presented an overview of the remaining components of the plan, and announced that a final public workshop on the Gaffey Street Conceptual Plan would be held in late January or early February of 2015.

A third and final public workshop for the Gaffey Street Conceptual Plan was held on February 26, 2015. As a result of public outcry from previous meetings, the plan no longer includes proposals to reduce the number of travel lanes on Gaffey Street. Councilman Buscaino’s office expects that a final plan may be ready for public presentation in April 2015. Staff will continue to monitor this project in future Border Issues reports.

## **CLOSURE OF DEFENSE FUEL SUPPORT POINT SAN PEDRO (U.S. NAVY/CITY OF LOS ANGELES)**

- *Last Update: April 7, 2015*

The U.S. Navy has announced that it is beginning the environmental review process that may lead to the full or partial closure of the Defense Fuel Support Point (DFSP) San Pedro (i.e., the Navy fuel depot on North Gaffey Street). An open house and public scoping meeting was held on Wednesday, March 18, 2015, at the Crowne Plaza Los Angeles Harbor Hotel in San Pedro.

According to the information received by Staff, the Navy and the Defense Logistics Agency (DLA) propose to close (fully or partially) the DFSP fuel facility and revert the property to the day-to-day control of the Navy after closure. The proposed action would close aging infrastructure, limit environmental risk and generate savings for the Department of Defense (DOD). The proposed action would not affect public use of the ball fields on the property or change land use at the fuel facility. Furthermore, the preparation of the Environmental Assessment (EA) for the proposed action will not consider the disposal or future reuse of the property.

Public and agency comments on the scope of issues to be addressed in the EA are due by Friday, April 3, 2015. Comments could be submitted in person at the March 18<sup>th</sup> meeting; e-mailed to [nwssbpao@navy.mil](mailto:nwssbpao@navy.mil); or mailed to the following address:

Naval Facilities Engineering Command Southwest  
DFSP San Pedro EA Project Manager  
ATTN: Code JE20.GB  
1220 Pacific Hwy.  
San Diego, CA 92132-5190

On March 18, 2015, Staff attended the open house and scoping meeting for the proposed closure of DFSP San Pedro. The 330-acre project area excludes the former Navy housing sites and portions of the site that are leased for ball fields and the Los Angeles Police Department shooting range. However, the areas of the site currently used by the Palos Verdes Peninsula Land Conservancy do not appear to be excluded. A complete set of the poster boards presented at the March 18<sup>th</sup> meeting are attached.

All of the fuel storage tanks at DFSP San Pedro are currently empty. The Environmental Assessment (EA) that will be prepared is expected to include at least five (5) alternatives, ranging from no action to the complete closure and demolition of everything but the office and administration buildings on the site. Also among the proposed alternatives would be the partial closure of the facility, which would put the existing above- and underground steel fuel storage tanks back into service, but remove underground concrete tanks and some other existing pipelines and equipment.

The Navy and the Defense Logistics Agency (DLA) anticipate that the draft EA will be released for public review and comment by this summer. Although the NEPA process only requires a 15-day public comment period for the draft EA, Staff plans to ask for a longer public comment period as a part of our scoping comments. Staff expects to submit our comments to the Navy and DLA on or before the April 3<sup>rd</sup> deadline. Staff will continue to monitor this project in future Border Issues reports.

## **PALOS VERDES RESERVOIR UPGRADES PROJECT (MWD/CITY OF ROLLING HILLS ESTATES)**

- Last Update: April 7, 2015

On March 18, 2015, the City received the Notice of Intent to adopt a Mitigated Negative Declaration (MND) for the proposed Palos Verdes Reservoir Upgrades Project (see attachments). The reservoir is located at the northeast corner of Palos Verdes Drive North and Palos Verdes Drive East in Rolling Hills Estates. The Municipal Water District of Southern California (MWD) owns the reservoir, which was constructed in 1939 to serve as a terminal finished water storage facility for the Colorado River Aqueduct project. Over the years, the reservoir has been upgraded several times, including the installation of the geomembrane floating cover in 1987 to preserve water quality and reduce evaporative losses. In 2009, when the floating cover reached the end of its useful life, the reservoir was dewatered and removed from service. The floating cover material was removed in 2011. As a part of the proposed project, MWD proposed to bring the reservoir back into operation in order to provide redundancy of supply during periods of shutdown or emergency situations affecting MWD's distribution system. Specific upgrades proposed for the reservoir include (but are not limited to) the following:

- Remove and replace the gunite lining of the reservoir;
- Remove the existing reservoir tower;
- Replace overflow spillway, secondary inlet and secondary outlet structures; and,
- Replace the floating cover.

The upgrades are expected to take seventeen (17) months to complete, beginning in late 2015.

MWD seeks public comments in the draft MND by April 20, 2015. Copies of the MND have been posted at the Peninsula Center and Miraleste libraries, and is also available on-line at the following link:

[http://www.mwdh2o.com/mwdh2o/pages/about/EnvPlanTeam/pdfs/PVMND\\_PUBLIC%20DRAFT\\_0312151.pdf](http://www.mwdh2o.com/mwdh2o/pages/about/EnvPlanTeam/pdfs/PVMND_PUBLIC%20DRAFT_0312151.pdf)

Written comments may be e-mailed to [EPT@mwdh2o.com](mailto:EPT@mwdh2o.com) or mailed to the following address:

Ms. Malinda Stalvey  
The Metropolitan Water District of Southern California  
Environmental Planning Team  
PO Box 54153  
Los Angeles, CA 90054-0153

Staff plans to submit comments on the draft MND on or before the April 20<sup>th</sup> deadline, and to continue to monitor this project in future Border Issues reports.