



CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

NEW BUSINESS DISCUSSION: April 24, 2007
SUBJECT: Modification No. 1 to
Conditional Use Permit No. 529-02
APPLICANT: Kinder Morgan Energy Partners, L.P.
Attn: Timothy Higdon
1100 Town and Country Road
Orange, CA 92868
REQUEST: Modification from the original approval to delay the
construction of 15 petroleum storage tanks and
the removal of one older tank
PROPERTY INVOLVED: 2000 E. Sepulveda Boulevard

COMMISSION ACTION

- Concurred with staff
 Did not concur with staff
 Other

COMMISSIONERS' VOTE

AYE	NO		AYE	NO	
		Cottrell – Chairman			Saenz
		Pulido – Vice-Chairman			Tyus
		Faletogo			Verrett
		Graber			Wilson
		Hudson			

Item No. 13A

I. Introduction

Due to cost factors and market conditions, the applicant, Timothy Higdon, on behalf of Kinder Morgan Energy Partners, L.P., is proposing a modification from the original approval in order to delay the construction of 15 petroleum storage tanks and the removal of one older petroleum storage tank. The proposed project is located on the southwestern 27.5 acres of the entire 99-acre tank farm facility. The subject property is zoned MH (Manufacturing, Heavy) and located at **2000 E. Sepulveda Boulevard**.

Background

On February 8, 2005, the Planning Commission approved Conditional Use Permit (CUP) No. 529-02 for the construction of 19 petroleum storage tanks to an existing tank farm. The project included the installation of supporting piping, pumps and ancillary equipment, and the demolition of four older tanks.

The approval was accompanied with a certified Environmental Impact Report (EIR). In addition, the applicant agreed to a Good Neighbor Agreement (GNA) with local environmental groups in order to address environmental and social impacts to nearby communities. Since the GNA is a private agreement between the applicant and local environmental groups, the City has no responsibility to enforce the requirements in the GNA even though the applicant has agreed to dedicate funds to improve City services.

The EIR includes a mitigation measure (MM AQ-3) to further reduce air quality emissions associated with the existing and future terminal operations by demolishing three older tanks by July 1, 2006, and a fourth tank by July 1, 2008. This requirement is restated in the GNA. It must be noted that MM AQ-3 is not a measure to mitigate a potentially significant impact, and thus would not normally be required under the California Environmental Quality Act (CEQA). However, the applicant has agreed to comply with all mitigation measures of the EIR and all requirements under the GNA. Bullet Point No. 5 of MM AQ-3 reads as follows:

KMEP [Kinder Morgan Energy Partners] shall remove three pre-project tanks from service and demolish the tanks no later than July 1, 2006. A fourth tank shall be removed from service and demolished no later than July 1, 2008...

Demolition of the first three tanks has been completed, however, due to cost factors and market conditions, Kinder Morgan is requesting that the fourth tank be allowed to operate until 2010.

To date, only four tanks of the total 19 have been constructed. Kinder Morgan anticipates constructing seven more tanks by 2010 as part of the second phase, and the remaining eight tanks as part of the final phase. Kinder Morgan has also retrofitted six existing older tanks by installing domes that meet the South Coast Air

Quality Management District (SCAQMD) requirements. A seventh older tank is expected to be domed by June 1, 2007.

II. Analysis

Required Findings

The required findings for Conditional Use Permit have not changed since the Planning Commission's original approval on February 8, 2005. The findings have been included in the attached Resolution.

The proposed modification to delay the demolition of the last tank would not create a significant impact not identified in the certified EIR. Furthermore, MM AQ-3 is not a measure to mitigate a potentially significant impact, thus modifying it would not create a significant impact.

Issues of Concern

- Issue – Front Landscaping: The City is proposing roadway improvements to Sepulveda Boulevard to the north of the Kinder Morgan facility. These improvements include a road widening which would require a dedication from Kinder Morgan. In addition to the road widening, the Planning Commission required that Kinder Morgan install landscaping to the full length of the street frontage along Sepulveda Boulevard. However, a due date for when the landscaping is to be installed was omitted because of the unspecified date for the street widening.
 - *Proposed Condition/Change*: Require the applicant to install landscaping along Alameda Street prior to the construction of any additional tanks, and commence installation of landscaping along Sepulveda Boulevard within 90 days of completion of the street widening.

III. Conclusion

The delay in construction would defer impacts to a future date, but would not create any additional impacts that have not been identified in the certified EIR. Kinder Morgan has always indicated that construction of the proposed project would be based on cost factors and market demands. It is staff's opinion that Kinder Morgan's request to defer the demolition of the fourth tank is reasonable provided that all other requirements by SCAQMD are met.

IV. Environmental Review

On February 8, 2005, the Planning Commission certified an EIR for the construction of 19 petroleum storage tanks. The proposed modification would not create any additional impacts that have not been identified in the certified EIR. Thus, the certified EIR covers the requests included in the proposed modification.

V. Recommendation

That the Planning Commission:

- **APPROVE** Modification No. 1 to Conditional Use Permit No. 529-02, subject to the conditions attached as Exhibit "B" to the Resolution; and
- **WAIVE** further reading and **ADOPT** Resolution No. _____ entitled, "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON APPROVING MODIFICATION NO. 1 TO CONDITIONAL USE PERMIT NO. 529-02 FOR THE DELAY IN THE CONSTRUCTION AND DEMOLITION OF PETROLEUM STORAGE TANKS FOR THE PROPERTY LOCATED AT 2000 E. SEPULVEDA BOULEVARD."

VI. Exhibits

1. Planning Commission Resolution
2. Letter from Timothy Higdon, KMEP, dated March 22, 2007
3. Good Neighbor Agreement Progress Report prepared by Timothy Higdon, KMEP, dated February 28, 2007
4. Site Plan (under separate cover)

Prepared by: _____
John F. Signo, AICP, Senior Planner

Approved by: _____
Sheri Repp, Planning Manager