

**ADMINISTRATIVE EXEMPTION and TRADE, TRAVEL, AND TOURISM COMMITTEE REPORT** relative to proposed parent guaranties provided by PBF Energy, Inc.; PBF Energy Company, LLC; and PBF Holding Company, LLC, for the Port of Los Angeles (POLA) Permit with PBF Energy Western Region, LLC.

Recommendations for Council action:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt under the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2.f of the Los Angeles City CEQA Guidelines.
2. APPROVE Port Resolution No. 19-9517 authorizing proposed parent guaranties provided by PBF Energy, Inc.; PBF Energy Company, LLC; and PBF Holding Company, LLC, for Permit No. 936 with PBF Energy Western Region, LLC; for the use of 40.04 acres at Port Berth Nos. 238-239 for the construction, operation, and maintenance of a marine oil terminal, subsurface pipelines, and storage tanks.

**Fiscal Impact Statement:** The City Administrative Officer (CAO) reports that this action will not impact the General Fund. Approval of the proposed parent guaranties between the Board of Harbor Commissioners and PBF Energy Inc., PBF Energy Company, LLC, and PBF Holding Company, LLC, for POLA Permit No. 936 with PBF Energy Western Region, LLC, will ensure additional guarantees for PBF Energy Western Region, LLC, to meet its obligations under the Permit, including annual rent starting at approximately \$8.8 million, and compliance with California Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) requirements estimated at a minimum of \$12.25 million. POLA will invest up to \$7.5 million. The approved compensation rate under the Permit meets POLA's rate of return for land and improvements. There is no additional impact on the Harbor Revenue Fund. The proposed parent guaranties comply with POLA financial policies.

**Community Impact Statement:** None submitted.

**TIME LIMIT FILE – DECEMBER 2, 2019**

**(LAST DAY FOR COUNCIL ACTION – NOVEMBER 27, 2019)**

### SUMMARY

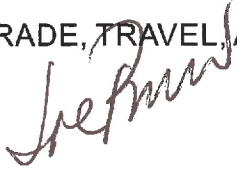
In a report to the Mayor dated October 28, 2019, the CAO states POLA requests approval of proposed parent guaranties provided by PBF Energy, Inc.; PBF Energy Company, LLC; and PBF Holding Company, LLC, for the POLA Permit with PBF Energy Western Region, LLC. According to the CAO, these guaranties each obligate PBF's named parent entities to full and timely payment and performance requirements, including debts, obligations, and liability, under the Permit. Should PBF default on its obligations under the Permit, the guarantors agree to pay or perform on demand such obligations. Approval of these parent guaranties will help ensure PBF can meet its obligations under the Permit, including land, wharf and tank rent starting at approximately \$8.8 million per year, compliance with MOTEMS requirements estimated at a minimum of \$12.25 million, and wharf restoration and remediation requirements.

On August 22, 2019, the Board of Harbor Commissioners approved POLA's request. The CAO concurs with this action.

At its meeting held November 5, 2019, the Trade, Travel, and Tourism Committee recommended that Council approve the proposed parent guaranties provided by PBF Energy, Inc.; PBF Energy Company, LLC; and PBF Holding Company, LLC, for the POLA Permit with PBF Energy Western Region, LLC, as recommended by the Board of Harbor Commissioners and the CAO.

Respectfully Submitted,

TRADE, TRAVEL, AND TOURISM COMMITTEE

A handwritten signature in cursive script, likely belonging to a member of the Trade, Travel, and Tourism Committee.

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

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**