



WORLDPORT LA

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October 5, 1993

Ms. Linda Geldner, Manager
Naval Station Long Beach Closure
Department of Navy
Southwest Division
Naval Facilities Engineering Command
1220 Pacific Highway
San Diego, CA 92132-5190

Dear Ms. Geldner:

SUBJECT: PORT OF LOS ANGELES USE OF NAVY PROPERTY ON
TERMINAL ISLAND - SITE 6A

We have received your letter dated September 2, 1993, concerning the Port's need to use Navy property on Terminal Island for the purpose of constructing a temporary roadway while a grade separation is constructed to bring rail to Pier 300. In this letter the Navy raised several concerns over the Port's use of this property, designated as Site 6A. The primary concern is that this site is contaminated, and that the Navy will incur additional costs in cleaning the site to accommodate the Port's construction schedule. The Navy would like the Port to share in these additional costs.

To discuss this issue, and several others raised by the Navy over this project, a meeting has been scheduled for Thursday, October 14, 1993, at 1:00 pm in San Diego. To help streamline this meeting, we would like to address several of the Navy's concerns in this letter. These are as follows:

1. Additional Costs For Environmental Remediation

Should the Navy incur additional remediation costs by acceleration its clean-up program to accommodate the Port's construction schedule, the Port will pay for these costs. To determine these costs, however, the Navy must provide what its normal clean-up schedule and costs would be without the Port's project, and then the schedule and costs incurred as a result of this project. Reasons for these additional costs must be fully explained, and will be subject to review by the Port's Environmental Division. Before the work is initiated, the schedule and costs must be approved by both the Port and the Navy.

The Port proposes that language addressing this issue be included in the lease for this property.

2. Lease Agreement

The Navy's standard General Purpose Lease agreement, standard environmental lease clauses and waiver of indemnification provision have been received, and are currently being reviewed by the Office of the City Attorney. At our meeting, we will be prepared to discuss this lease, as well as address the Navy's concerns about the Port's project impacting nearby contaminated areas.

3. Port's Acquisition Of Site 6A

The Port would also like to address the acquisition of this property once the clean-up is completed. We understand that there are certain procedures the Navy must follow in disposing of the property, but the Port proposes to place in the lease an option to purchase this property upon completion of the screening process. It is the Port's understanding that significant progress has been made in this process, including completion of the screening required by the McKinney Act. We would appreciate an update of this screening process at our meeting.

4. Right Of Entry License

The Port may have to gain access to the property for surveying and geotechnical purposes. Please accept this letter as the Port's formal application for this license. If any forms must be completed, we can do this at our October 14 meeting. The Port also understands that its work plan and health and safety plan must be approved by DTSC prior to the issuance of the license.

5. Project Drawing

The Port will provide the latest drawing of the project at our meeting. This drawing will show both temporary and permanent easements, and with minor modifications, can serve as the drawing for the lease agreement.

6. Project Schedule

The latest project schedule is enclosed for you information and review.

7. Soil Compaction, Excavation and Borings

The amount of compaction, excavation, and borings required by the Port's project is unknown at this time. A lot depends on the borings currently being taken by Bechtel. If these borings show good soil, without a lot of trash and debris,

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then little compaction/excavation will be necessary. However, if the soil is poor quality, or full of trash/debris, excavation may be necessary for the rail portion of the project. Until the Bechtel borings are analyzed, the Port cannot provide any additional information.

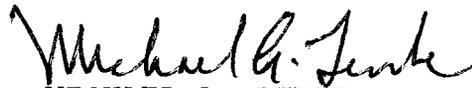
8. Contact Person

The contact person for the Port in these discussions/negotiations is Phil Tondreault of this office, who can be reached at (310) 732-3865.

We hope this letter addresses most of your concerns, and look forward to meeting with you on October 14, 1993.

In the meantime, should you have any questions, or require any additional information, please contact Mr. Tondreault.

Sincerely,



MICHAEL A. LEMKE
Director of
Property Management

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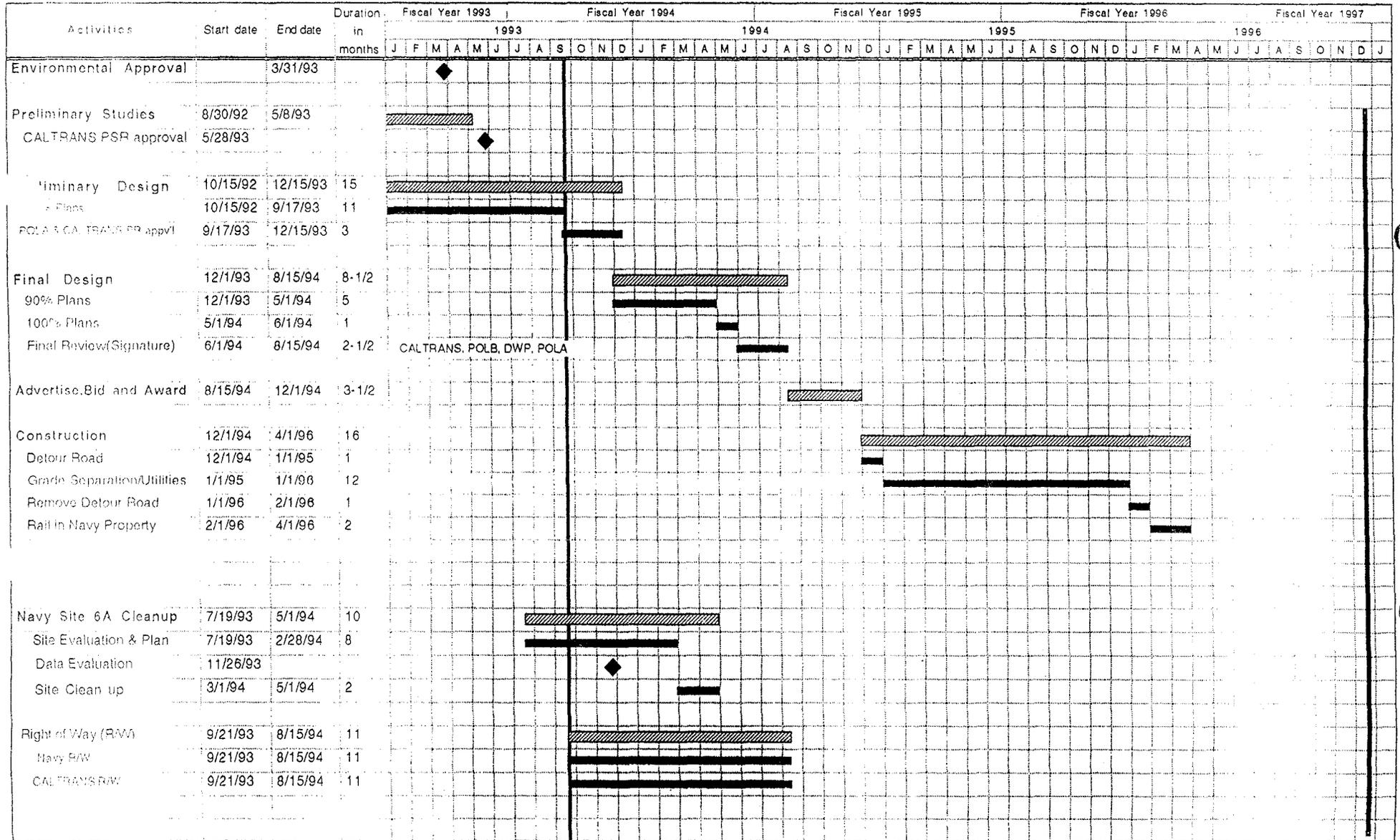
cc: Ms. Kate De Mane
Assistant Legal Counsel

R. F. Kiesling
Capt., CEC USN

LCDR J. Snyder

SEASIDE / NAVY WAY INTERCHANGE

PROJECT SCHEDULE



◆ 81 - File SEASIDE-NAVY WAY Draft
Wednesday, September 22, 1993

Based on PB Schedule submitted 9/15/93

REVISED 7/20/93, 9/13/93, 9/21/93