

1 **1.0 PROJECT AND AGENCY INFORMATION**

2 **1.1 PROJECT TITLE**

3 Hercules LLC/Prologis Hercules Pipeline Removal Project (Project)

4 **1.2 LEAD AGENCY AND PROJECT APPLICANT**

5 **Lead Agency**

6 California State Lands Commission (CSLC)
7 100 Howe Avenue, Suite 100-South
8 Sacramento, CA 95825

9 Contact person:

10 Jennifer DeLeon, Environmental Program Manager
11 California State Lands Commission
12 Division of Environmental Planning and Management
13 Jennifer.Deleon@slc.ca.gov
14 (916) 574-0748

15 **Project Applicant**

16 Hercules LLC/Prologis (Applicant)
17 Pier 1, Bay 1
18 San Francisco, CA 94111

19 Contact person:

20 Steve Campbell, Senior Vice President
21 Environmental, Engineering & Sustainability Department
22 Scampbell@prologis.com
23 (415) 733-9506

24 **1.3 PROJECT LOCATION**

25 The proposed Project is located in and adjacent to San Pablo Bay (Bay) within the city
26 of Hercules (City), Contra Costa County (Figure 1-1).

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Figure 1-1. Project Location



1 **1.4 ORGANIZATION OF MITIGATED NEGATIVE DECLARATION**

2 This Mitigated Negative Declaration (MND) is intended to provide the CSLC, as lead
3 agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code,
4 § 21000 et seq.), and other responsible agencies with the information required to
5 exercise their discretionary responsibilities with respect to the proposed Project. The
6 document is organized as follows.

7 • Section 1 provides the Project background, agency and Applicant information,
8 Project Objectives and anticipated agency approvals, and a summary of the
9 public review and comment process.

10 • Section 2 describes the proposed Project including its location, layout,
11 equipment, and facilities. Section 2 also provides an overview of the Project's
12 operations and schedule.

13 • Section 3 provides the Initial Study (IS), including the environmental setting,
14 identification and analysis of potential impacts, and discussion of various Project
15 changes and other measures that, if incorporated into the Project, would mitigate
16 or avoid those impacts, such that no significant effect on the environment would
17 occur. The IS was conducted by the CSLC pursuant to section 15063 of the
18 State CEQA Guidelines.¹

19 • Section 4 includes an environmental justice analysis and discussion consistent
20 with CSLC Policy.

21 • Section 5 presents the Mitigation Monitoring Program (MMP).

22 • Section 6 presents information on report preparation and references.

23 • The Appendices include specifications, technical data, and other information
24 supporting the analysis presented in this MND.

25 ○ Appendix A: Mailing List of MND Recipients

26 ○ Appendix B: Greenhouse Gas Emission Estimates

27 ○ Appendix C: Biological Assessment

28 **1.5 PROJECT BACKGROUND AND OBJECTIVES**

29 The existing non-operational 2,160-foot-long, 8-inch-diameter wastewater pipeline, likely
30 composed of asphalt mastic and mortar-coated Schedule 40 steel, was originally
31 constructed as part of the operations of an upland refinery in Hercules. The upland
32 refinery and transfer wharf were originally built by Sequoia Refining Corporation in 1966
33 and operated for 31 years. The refinery complex, including offshore wharf facilities and

¹ The State CEQA Guidelines are found in Title 14 of the California Code of Regulations, commencing with section 15000.

1 the wastewater outfall pipeline, was later acquired by Gulf Oil Corporation, then Pacific
2 Refining Company, which subsequently became Coscol Corporation (Coscol). The
3 pipeline was used until 1997 for wastewater discharge associated with refinery
4 operations, and from 1997 until 2001 for groundwater extraction and treatment when
5 Coscol decommissioned the refinery and wharf. The pipeline has been out of service
6 since 2001.

7 During decommissioning of the refinery and other onshore infrastructure, an adjacent
8 free-standing marine oil terminal (MOT) and its associated five hydrocarbon pipelines²
9 remained in place until 2010 when they were decommissioned following approval by the
10 CSLC (2009) of the Coscol Petroleum/El Paso Corporation Marine Terminal
11 Deconstruction and Pipeline Abandonment Project (Coscol Project) and termination of
12 CSLC Lease No. PRC 3414.1. Removal of the wastewater pipeline was not included as
13 part of the Coscol Project, as it is under a different lease. The Applicant is seeking
14 authorization from the CSLC to amend Lease No. PRC 7985.1 to allow removal of the
15 pipeline and to terminate the lease upon successful Project completion.

16 At the end of the lease term, the Applicant is obligated to remove all improvements and
17 return the premises to conditions existing prior to construction. To meet its lease
18 obligations, the Applicant has identified the following Project objectives:

- 19 • Remove the existing non-operational 2,000-foot-long offshore wastewater
20 pipeline, diffusers, and steel plates under CSLC jurisdiction;
- 21 • Remove approximately 20 feet of existing onshore pipeline (covered by riprap)
22 under CSLC jurisdiction;
- 23 • Grout and cap (leave in place) the remaining 140-foot-long onshore portion of the
24 wastewater pipeline onshore under the Union Pacific Railroad's (UPRR) and
25 City's jurisdiction. Place back the removed riprap to (1) cover the cut and capped
26 end of the wastewater pipeline resulting in a shoreline similar to existing
27 conditions, and (2) continue covering the remaining abandoned MOT pipelines
28 associated with the Coscol Project; and
- 29 • Terminate CSLC Lease No. PRC 7985.1 upon successful Project completion.

² Due to the draft limitations near shore, oil deliveries to the refinery were received through the MOT, which was located about ¾ mile out in the Bay, and transported to and from shore through five hydrocarbon pipelines located in a trench buried under the bottom of the Bay.

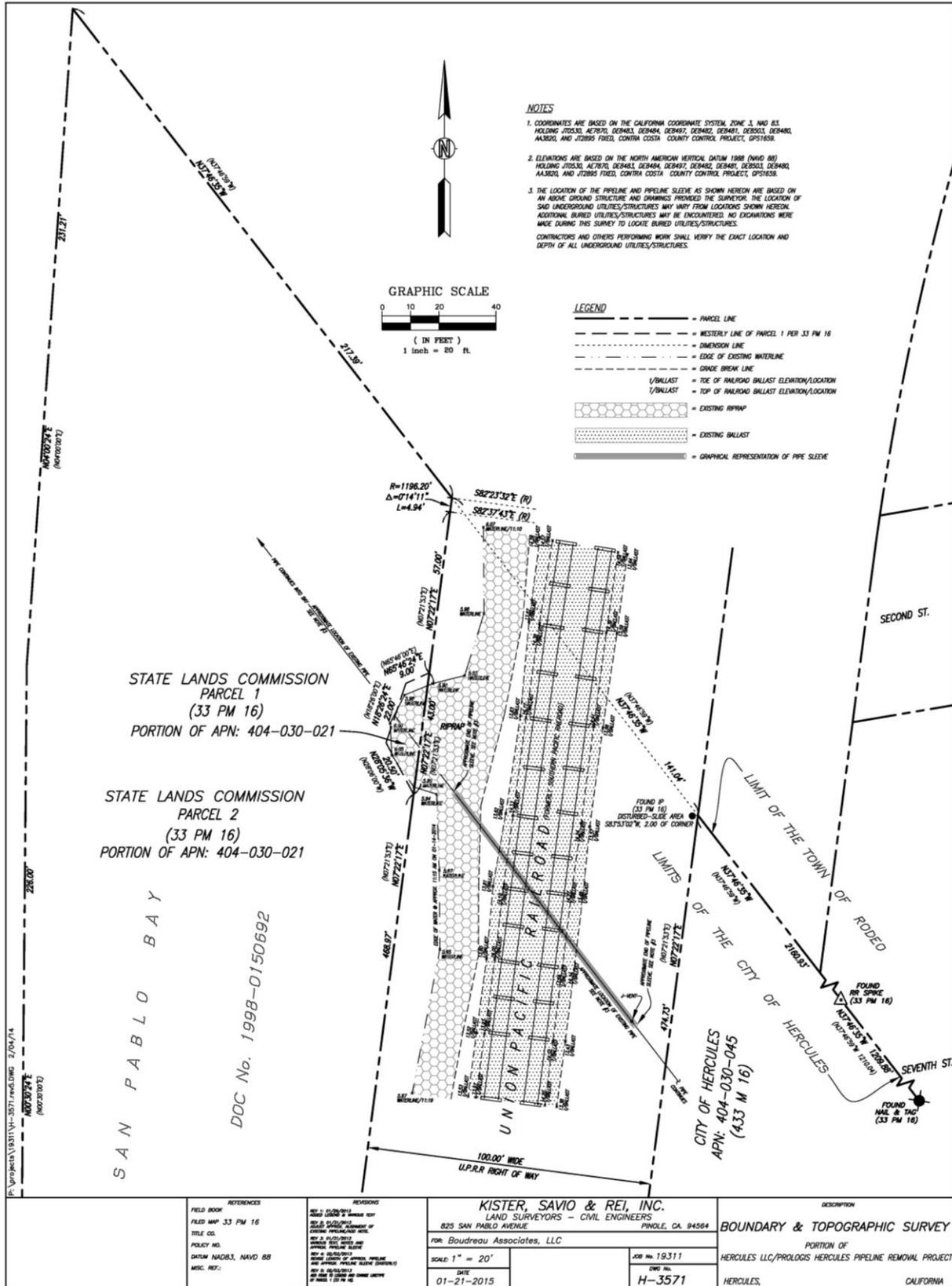
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Figure 1-2. Site Map – Offshore Location of Pipeline



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Figure 1-3. Boundary and Topographic Survey



1 **1.6 PUBLIC REVIEW AND COMMENT**

2 Pursuant to State CEQA Guidelines sections 15072 and 15073, a lead agency must
3 issue an MND in draft form for a minimum 30-day public review period. Local, regional,
4 State, and federal agencies and the public will have the opportunity to review and
5 comment on the draft document. Responses to written comments received by the CSLC
6 during the 30-day public review period will be incorporated as appropriate into the final
7 MND. In accordance with State CEQA Guidelines section 15074, subdivision (b), the
8 CSLC will review and consider the proposed final MND, together with any comments
9 received during the public review process, prior to taking action on the MND and
10 Project.

11 **1.7 APPROVALS AND REGULATORY REQUIREMENTS**

12 The CSLC’s authority is set forth in Division 6 of the California Public Resources Code
13 and it is regulated by the California Code of Regulations, Title 2, sections 1900–2970.
14 The CSLC has authority to issue leases or permits for the use of sovereign lands held in
15 the public trust, including all ungranted tidelands, submerged lands, and the beds of
16 navigable lakes and waterways, as well as certain residual and review authority for
17 tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub.
18 Resources Code, §§ 6301, 6306). All tidelands and submerged lands, granted or
19 ungranted, as well as navigable lakes and waterways, are subject to the protections of
20 the Common Law Public Trust. As general background, the State of California acquired
21 sovereign ownership of all tidelands and submerged lands and beds of navigable lakes
22 and waterways upon its admission to the U.S. in 1850. The State holds these lands for
23 the benefit of all people of the State for statewide Public Trust purposes, which include
24 but are not limited to waterborne commerce, navigation, fisheries, water-related
25 recreation, habitat preservation and open space. On tidal waterways, the State’s
26 sovereign fee ownership extends landward to the mean high tide line, except for areas
27 of fill or artificial accretion. For the proposed Project, the CSLC has received an
28 application for the subject pipeline removal.

29 The CSLC must comply with CEQA when it undertakes an activity defined by CEQA as
30 a “project” that must receive some discretionary approval (i.e., the CSLC has the
31 authority to deny the requested lease, permit, or other approval) which may cause either
32 a direct physical change in the environment or a reasonably foreseeable indirect change
33 in the environment. CEQA requires the CSLC to identify the significant environmental
34 impacts of its actions and to avoid or mitigate those impacts, if feasible.

35 In addition to the CSLC, the Project is subject to the review and approval of other
36 agencies with statutory and/or regulatory jurisdiction over various aspects of the Project
37 (see Table 1-1).

1 **Table 1-1. Other Agencies with Review/Approval over Project Activities**

Permitting Agency		Anticipated Approvals/Regulatory Requirements
U.S.	U.S. Army Corps of Engineers (USACE)	Clean Water Act (CWA) Section 404 (under Nationwide Permit No. 12)
	National Marine Fisheries Service (NMFS)	Section 7 Consultation under Federal Endangered Species Act (if necessary)
	U.S. Fish and Wildlife Service (USFWS)	Essential Fish Habitat Consultation under National Marine Fisheries Act (if necessary)
State	California Department of Fish and Wildlife (CDFW)	California Endangered Species Act permit Streambed Alteration Agreement
	California Department of Transportation (Caltrans)	California Streets and Highways Code sections 660-734 Encroachment Permit Transportation Permit (tentative)
	San Francisco Bay Regional Water Quality Control Board (SFBRWQCB)	Clean Water Act Section 401 Water Quality Certification
	San Francisco Bay Conservation and Development Commission (BCDC)	Coastal Development Permit
Other	Union Pacific Railroad (UPRR)	Right of Entry

2 In addition, the U.S. Coast Guard would be notified of the proposed work and would
 3 issue a Notice to Mariners alerting other marine traffic to the potential navigation hazard
 4 posed by the marine equipment. As part of the permitting process, both BCDC and the
 5 USACE issue public notices before final permitting and before any construction may be
 6 initiated.

7 Table 3-1 identifies coastal-related U.S. and California laws and programs that are
 8 relevant to the Project; specific policies are listed in Section 3, Environmental Analysis
 9 and Checklist, of this MND for each environmental issue area.