

**STAFF REPORT
C34**

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02/04/19
PRC 3947.9
J. Holt

GENERAL LEASE – PUBLIC AGENCY USE

APPLICANT:

City of San Mateo

PROPOSED LEASE:

AREA, LAND TYPE, AND LOCATION:

Sovereign land in the San Francisco Bay, adjacent to the San Mateo Bridge, San Mateo County.

AUTHORIZED USE:

Right-of-way for the continued operation and maintenance of an existing 54-inch-diameter outfall pipeline with diffuser.

LEASE TERM:

25 years, beginning May 1, 2017.

CONSIDERATION:

The public health and safety; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.

SPECIFIC LEASE PROVISIONS:

Lessee shall perform both internal and external inspections of the outfall pipeline and provide Commission staff with reports regarding its integrity and repair in accordance with the schedule detailed in the lease.

STAFF ANALYSIS AND RECOMMENDATION:

Authority:

Public Resources Code sections 6005, 6216, 6301, 6501.1, and 6503; California Code of Regulations, title 2, sections 2000 and 2003.

Public Trust and State's Best Interests Analysis:

On May 23, 1968, the Commission authorized a 49-year Public Agency Permit (Right-of-Way) to the City of San Mateo (City), beginning May 1, 1968, for the construction, operation, and maintenance of a 54-inch-diameter outfall pipeline in the San Francisco Bay, adjacent to the San Mateo Bridge, in San Mateo County ([Item C03, May 23, 1968](#)). That

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permit expired on April 30, 2017. The City is now applying for a General Lease – Public Agency Use, for continued operation and maintenance of an existing outfall pipeline with diffuser, which facilitates wastewater and stormwater management.

The City collects, conveys, and treats wastewater and stormwater from the Estero Municipal Improvement District (District). The District includes Foster City, the southern portion of Hillsborough, Crystal Springs County Sanitation District, and a portion of the unincorporated area of the County of San Mateo. The District's wastewater treatment plant currently serves over 150,000 people and businesses. Although the wastewater treatment plant is jointly funded and owned by the District, the City is the sole entity tasked with the responsibility of operating and maintaining the wastewater treatment plant facilities, including the outfall pipeline.

The lease facilities include an outfall diffuser located approximately 3,700 feet offshore, near the San Mateo Bridge. The outfall pipeline with diffuser is a 54-inch-diameter reinforced concrete pipeline that was installed in 1968. The diffuser has thirty 10-inch-diameter nozzles across 145 linear feet of pipeline, with 5 feet between each nozzle. The pipeline and diffuser are located about 240 feet north of the San Mateo Bridge. The outfall is located in an area of low boating usage. It does not extend into the deeper shipping channel where most of the ship traffic occurs. This area has no commercial ferry service or passenger terminal near the outfall's location. The location is considered at low-risk for anchor strikes, and does not impair public navigation. Therefore, the outfall does not interfere with or limit Public Trust uses of the land.

The City operates a wastewater treatment plant on the upland near the outfall location, at 2050 Detroit Drive, San Mateo. Treated wastewater is pumped through the pipeline and discharged through the diffuser ports at the end of the pipeline into San Francisco Bay. Treated effluent wastewater is regulated by the California Regional Water Quality Control Board through the National Pollutant Discharge Elimination System (NPDES) permitting process. The City maintains a valid NPDES permit which requires compliance standards, plant inspections, water monitoring, and formal reporting. The City also participates in a Regional Monitoring Program which collects data on pollutants and toxicity in the San Francisco Bay. The City monitors treated and released effluent wastewater to ensure compliance with permits and environmental standards.

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The outfall pipeline underwent inspection and subsequent repairs from 2012 through 2014. The City and its engineering contractor monitor operational efficiency, supported by periodic inspections and repairs. The City partners with an independent third-party to maintain and oversee its Clean Water Program and ensure acceptable standards of sanitation. The City remains in compliance with NPDES permit standards to ensure that wildlife and natural habitats are not harmed by the outfall. The City ensures that treated and released effluent wastewater through the outfall does not have any known negative impact on Public Trust resources.

The proposed lease is limited to a 25-year term and does not grant the lessee exclusive rights to the lease premises. Upon termination of the lease, the lessee may be required to remove all improvements from State land.

Climate Change:

Climate change impacts, including sea-level rise, increased wave activity, storm events, and flooding are not limited to the open coast. The California Ocean Protection Council updated the State of California Sea-Level Rise Guidance in 2018 to provide a synthesis of the best available science on sea-level rise projections and rates. Commission staff evaluated the “high emissions,” “medium-high risk aversion” scenario to apply a conservative approach based on both current emission trajectories and the lease location and structures. The San Francisco tide gauge was used for the projected sea-level rise scenario for the region as listed in Table 1.

Table 1. Projected Sea-Level Rise for San Francisco¹

Year	Projection (feet)
2030	0.8
2040	1.3
2050	1.9
2100	6.9

Source: Table 13, State of California Sea-Level Rise
Guidance: 2018 Update

Note: ¹ Projections are with respect to a 1991 to 2009 baseline.

The flood risk substantially increases over the next several decades due to potential sea-level change. This effect could increase the San Francisco Bay's inundation levels adjacent to the lease area. In addition, as stated in *Safeguarding California Plan: 2018 Update* (California Natural Resources Agency 2018), climate change is projected to increase the frequency and severity of natural disasters related to flooding, fire, drought, extreme heat,

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and storms (especially when coupled with sea-level rise). In rivers and tidally influenced waterways, more frequent and powerful storms can result in increased flooding conditions and damage from storm created debris. Climate change and sea-level rise will further influence coastal and riverine areas by changing erosion and sedimentation rates. Finally, in rivers and tidally influenced waterways, flooding and storm flow will likely increase scour, decreasing bank stability and structure.

Improvements to the lease area consist of a 54-inch-diameter wastewater outfall pipeline with diffusers located approximately 240 feet north of the San Mateo Bridge. Approximately 96 percent of the pipeline was buried during the installation process. Because the outfall pipeline is mostly buried below the bay floor, it should not be vulnerable to climate change impacts, such as sea-level rise, if properly inspected and maintained. Conformance with lease provisions for periodic internal and external inspections and maintenance of the outfall as needed should avoid or minimize future climate change-related impacts.

Conclusion:

For all the reasons above, staff believes the issuance of this lease will not substantially interfere with Public Trust needs at this location and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

1. This action is consistent with Strategy 1.1 of the Commission's Strategic Plan to deliver the highest levels of public health and safety in the protection, preservation, and responsible economic use of the lands and resources under the Commission's jurisdiction.
2. Staff recommends that the Commission find that this activity is exempt from the requirements of the California Environmental Quality Act (CEQA) as a categorically exempt project. The project is exempt under Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

Authority: Public Resources Code section 21084 and California Code of Regulations, title 14, section 15300 and California Code of Regulations, title 2, section 2905.

EXHIBITS:

- A. Land Description
- B. Site and Location Map

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RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that the activity is exempt from the requirements of CEQA pursuant to California Code of Regulations, title 14, section 15061 as a categorically exempt project, Class 1, Existing Facilities; California Code of Regulations, title 2, section 2905, subdivision (a)(2).

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed lease will not substantially interfere with Public Trust needs and values at this location, at this time, and for the foreseeable term of the proposed lease; and is in the best interests of the State.

AUTHORIZATION:

Authorize issuance of a General Lease – Public Agency Use, to the Applicant beginning May 1, 2017, for a term of 25 years, for the continued use and maintenance of an existing 54-inch-diameter outfall pipeline with diffuser, as described in Exhibit A and shown on Exhibit B (for reference purposes only) attached and by this reference made a part hereof; consideration: the public health and safety; with the State reserving the right at any time to set a monetary rent if the Commission finds such action to be in the State's best interests.

EXHIBIT A**PRC 3947.9****LAND DESCRIPTION**

Three parcels of submerged land, situated in the bed of the San Francisco Bay, lying adjacent to San Mateo Bridge, County of San Mateo, State of California, more particularly described as follows:

PARCEL A-1

A strip of land 30 feet wide bounded on the southwesterly terminus by the Easterly line of Tide Land Survey No. 80, San Mateo County Surveys and on the northeasterly terminus by a line drawn at right angles to and bearing North-westerly from a 1250 foot northeasterly prolongation of the northwesterly line of that certain Quit Claim Deed from Ideal Cement Company to the State of California and recorded May 8, 1963, in Volume 4451 at page 724, Official Records of the County of San Mateo. The Northwesterly line of said strip of land lies 61.5 feet northwesterly of the and parallel to the aforementioned prolongation.

PARCEL A-2

A strip of land 30 feet wide bounded on the southwesterly terminus by the line described as having a recorded bearing of "S. 51° 17' 17" E. and length of 311.36 feet" in that certain Grant Deed from Ideal Cement Company to the State of California and recorded in Volume 2582, page 361, Official Records of the County of San Mateo and bounded on the northeasterly terminus by the Easterly line of Tide Land Survey No. 80, San Mateo County Surveys. The northwesterly line of said strip of land lies 61.5 feet northwesterly of the and parallel to the Northwesterly line of those Certain Quit Claim Deeds from Ideal Cement Company to the State of California and recorded May 8, 1963, in Volume 4451, page 716 and page 724, Official Records of the County of San Mateo.

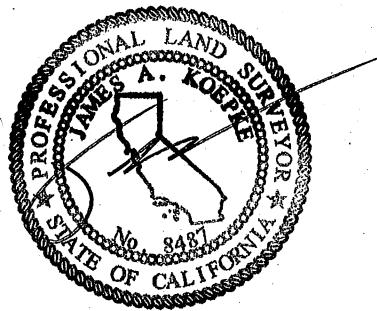
PARCEL A-3

A strip of land 30 feet wide bounded on the northeasterly terminus by the line described as having a record bearing of "S. 51° 17' 17" E. and length of 311.36 feet" in that certain Grant Deed from Ideal Cement Company to the State of California and recorded in Volume 2582, page 361, Official Records of the County of San Mateo and bounded on the southwesterly terminus by the ordinary high water mark established by

the Boundary Line Agreement (BLA) 128, recorded on April 10, 1972 in Volume 6125, page 419, Official Records of said County of San Mateo. The northwesterly line of said strip of land lies 61.5 feet northwesterly of the and parallel to the southwesterly prolongation of the Northwesterly line of those Certain Quit Claim Deeds from Ideal Cement Company to the State of California and recorded May 8, 1963, in Volume 4451, page 716 and page 724, Official Records of the County of San Mateo.

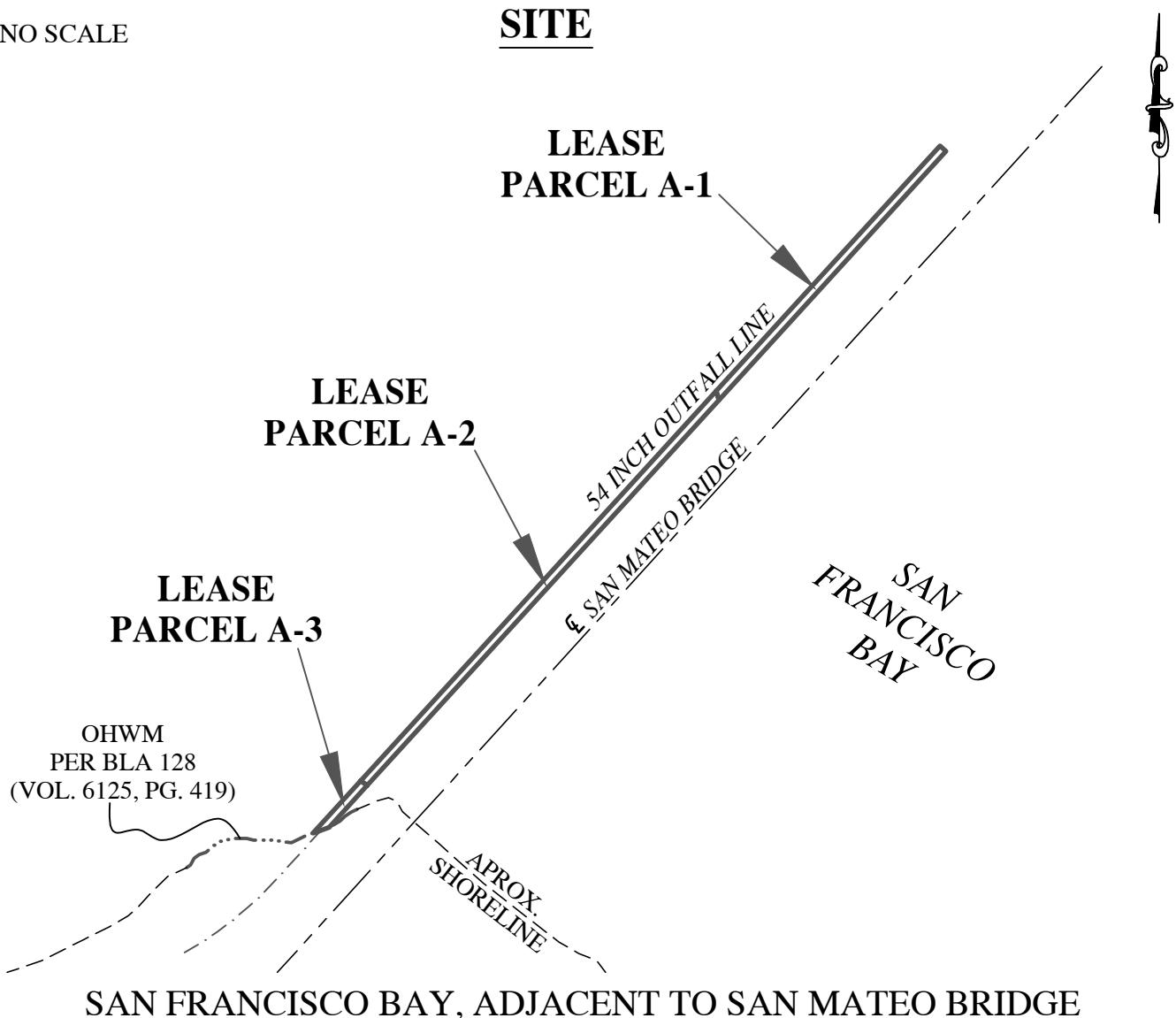
END OF DESCRIPTION

Parcels A-1 and A-2 based on that original description prepared by California State Lands Commission Boundary Unit on May 23, 1968 as found in PRC 3947 file, Calendar Item 53. Parcel A-3 revised by the California State Lands Commission Boundary Unit on 05/08/2017.



NO SCALE

SITE



SAN FRANCISCO BAY, ADJACENT TO SAN MATEO BRIDGE

NO SCALE

LOCATION



Exhibit B

PRC 3947.9

CITY OF SAN MATEO
GENERAL LEASE -
PUBLIC AGENCY USE
SAN MATEO COUNTY



This Exhibit is solely for purposes of generally defining the lease premises, is based on unverified information provided by the Lessee or other parties and is not intended to be, nor shall it be construed as, a waiver or limitation of any State interest in the subject or any other property.

TS 05/08/17