

*California State Lands Commission*

# **PART I – PREFACE**

Final Environmental Impact Report for the Tesoro Avon Marine Oil  
Terminal Lease Consideration, January 2015

PAGE INTENTIONALLY LEFT BLANK

# **PART I. PREFACE TO THE FINAL ENVIRONMENTAL IMPACT REPORT**

## **PURPOSE**

This document is the Final Environmental Impact Report (EIR) for the Tesoro Avon Marine Oil Terminal Lease Consideration Project (Project). The Final EIR has been prepared for consideration by the California State Lands Commission (CSLC), as the lead agency for this Project, pursuant to the California Environmental Quality Act (CEQA) and in accordance with the State CEQA Guidelines (Pub. Resources Code, § 21000 et seq. and Cal. Code Regs., tit. 14, § 15000 et seq.).

## **ORGANIZATION OF THE FINAL EIR**

The Final EIR, reproduced for convenience in one document, replaces the September 2014 Draft EIR. Consistent with State CEQA Guidelines section 15132, the Final EIR consists of the following elements:

- **Part I** – Preface
- **Part II** – Comments and Responses to Comments received on the Draft EIR during the 45-day public comment period, including a list of persons, organizations, and public agencies that provided comments on the Draft EIR.
- **Part III** – Revisions to the Draft EIR and any other information added to the EIR by the CSLC as lead agency. Part III includes the entire text of the Draft EIR, as revised, including revisions to the text of the Draft EIR in response to comments received or for reasons that include: to update information; to refine discussions and resolve internal inconsistencies; and to make minor format changes. Some changes have resulted in a shifting of text from one page to another. Except for minor format changes, all revisions to the Draft EIR are shown as follows:
  - Additions to the text of the Draft EIR are underlined; and
  - Deletions of the text of the Draft EIR are shown as ~~strikeout~~.

The Final EIR may be viewed at the following repository locations and on the CSLC website ([www.slc.ca.gov/Division\\_Pages/DEPM/DEPM\\_Home\\_Page.html](http://www.slc.ca.gov/Division_Pages/DEPM/DEPM_Home_Page.html)).

Martinez Library 740 Court Street Martinez, CA 94553 (925) 646-2898	CSLC, Marine Facilities Division 750 Alfred Noble Drive, Suite 201 Hercules, CA 94547 (510) 741-4950	CSLC, Division of Environmental Planning and Management 100 Howe Avenue, Suite 100-South Sacramento, CA 95825 (916) 574-1889
--	---	---

## **PROJECT DESCRIPTION**

The Tesoro Avon Marine Oil Terminal (Avon Terminal) and its associated Golden Eagle Refinery (Refinery), which is located approximately 0.5 mile south of the Avon Terminal on privately held lands, have operated at their current locations, offshore and onshore within unincorporated Contra Costa County, since 1925 and 1913, respectively. The Avon Terminal is located on CSLC Lease No. PRC 3454.1, a General Lease-Industrial Use, which currently consists of an approximately 11.24-acre parcel of sovereign land in lower Suisun Bay, approximately 1.75 miles east of the Benicia-Martinez Bridge (see Figure 1-1 in Part III of the Final EIR).

Tesoro has applied for a new 30-year lease from the CSLC to allow the Avon Terminal to continue operations, which would enable the associated Refinery to continue to export and import petroleum products from tanker vessels that dock at the Avon Terminal. To consider authorization for a new 30-year lease, the CSLC must document both the current and planned future conditions at the Avon Terminal, including compliance with the Marine Oil Terminal Engineering Maintenance Standards (MOTEMS).<sup>1</sup> Based on MOTEMS audits (2008 and 2011) of the Avon Terminal, Tesoro has concluded that construction of a new berth (Berth 1A) next to the existing Berth 1 and renovation of the approachway is the most effective way to achieve MOTEMS compliance at the Avon Terminal. Tesoro would conduct these renovations in compliance with the 2013 MOTEMS, which became effective on January 1, 2014.

The scope of the proposed renovations would include: construction of a new berthing area, Berth 1A, and decommissioning of existing Berth 1; renovation of the existing approachway; and demolition and removal of existing Berth 5. The existing Berth 1 is located on the eastern end of the existing Avon Terminal, with Berth 1A to be installed immediately upstream (east), in what is currently open water. Existing Berth 5 is located on the western end of the Avon Terminal and is currently inactive.

The new 30-year lease would expand temporarily from the current 11.24-acre parcel to a 15.42-acre<sup>2</sup> parcel to allow additional lease area for renovation and demolition activities. When demolition of Berth 5 is complete and all of the Berth 5 structure is removed, the lease area would be reduced to a 13.33-acre parcel, removing the area that had encompassed Berth 5 (refer to Section 1.0, Introduction, in Part III of the Final EIR). The final new lease area would reflect an extension waterward from the current boundary to accommodate the footprint of the largest vessel that can call on the Avon Terminal, and the removal of the area formerly occupied by Berth 5 from the lease.

---

<sup>1</sup> MOTEMS are codified in the California Building Code, Chapter 31F – Marine Oil Terminals (Cal. Code Regs., tit. 24, § 3101F et seq.).

<sup>2</sup> In preparing the proposed lease documents, CSLC boundary staff determined that the area of the proposed lease is 15.42 acres not 15.32 acres as stated in the Draft EIR. This change is documented in Section 1, Introduction, page 1-4 and Section 2, Project Description, page 2-3 of the Final EIR.

The CSLC originally issued Lease No. PRC 3454.1 to the Tidewater Oil Company, beginning July 26, 1964. Subsequently, several amendments and lease assignments have been authorized to various operators. The current lease agreement had an initial term of 15 years, with the right to three additional renewal periods of 10 years each, on “such reasonable terms and conditions the State might impose.” In 2002, the CSLC authorized the assignment of this lease to Ultramar, Inc., which shortly thereafter sold the Avon Terminal to Tesoro. In 2003, the CSLC authorized the assignment of the lease to Tesoro. In 2009, the existing lease expired and Tesoro is presently in a “holdover” month-to-month tenancy.<sup>3</sup> Operations at the Refinery are not part of the Avon Terminal lease and are addressed in this EIR only as they pertain to Avon Terminal continued operations, or as Project alternatives or as required by other agencies relying upon this EIR for issuance of permits.

## **DECISION-MAKING PROCESS**

The State CEQA Guidelines stipulate that an EIR must be prepared for any project carried out or approved by a State or local public agency that may have a significant impact on the environment. CSLC has determined that:

- 1) the Tesoro Avon Marine Oil Terminal Lease Consideration Project is a “project” as defined by the State CEQA Guidelines;
- 2) the Project may have a significant impact on the environment; and
- 3) an EIR is required.

The CSLC will use this Final EIR as part of its review process, including determining whether or not to approve the lease renewal. If the EIR is certified and the Project approved, mitigation measures will be adopted as part of the approval and incorporated as conditions of the lease for Project implementation. The CSLC must certify that:

- the Final EIR has been completed in compliance with CEQA;
- the Final EIR was presented to the CSLC in a public meeting and the CSLC reviewed and considered the information contained in the Final EIR prior to considering the proposed Project; and
- the Final EIR reflects the CSLC’s independent judgment and analysis.

(State CEQA Guidelines, § 15090.)

If the CSLC decides to certify the Final EIR and approve the Project, the CSLC must make one or more written findings of fact for each significant environmental impact identified in the document. The possible findings are:

---

<sup>3</sup> While in lease holdover status, the Avon Terminal is continuing to operate under the terms of its existing lease while a decision on a new lease is pending.

- The Project has been changed (including adoption of mitigation measures) to avoid or substantially reduce the magnitude of the impact.
- Changes to the Project are within another agency's jurisdiction and have been or should be adopted by such other agency.
- Specific considerations make mitigation measures or alternatives infeasible.

(State CEQA Guidelines, § 15091.)

If any impacts identified in the EIR cannot be reduced to a level that is less than significant, the CSLC may issue a Statement of Overriding Considerations for Project approval if specific social, economic, or other factors justify the Project's unavoidable adverse environmental effects. If the CSLC approves a project for which a Final EIR has been prepared and certified, the CSLC will issue a Notice of Determination.

## **PROJECT CEQA CHRONOLOGY**

The following is a brief chronology of the CEQA review process associated with the proposed Project (see also Part III, Section 1.4.3, Public Participation, of the Final EIR).

**April 2, 2014.** Notice of Preparation (NOP) and Notice of Public Scoping Meeting published. The environmental setting existing at the time the NOP is published normally constitutes the baseline physical conditions by which a lead agency determines whether an impact is significant (State CEQA Guidelines, § 15125, subd. (a)). Three written comment letters were received during the public review period.

**April 22, 2014.** Scoping meetings held at 3:00 p.m. and 5:30 p.m. in the city of Martinez. At these meetings, the public and interested agencies were informed about the proposed Project and had the opportunity to provide recommendations for the scope and content of the environmental analysis; six speakers provided comments at the two meetings; no written public comments were received at the two meetings.

**September 29, 2014 – November 13, 2014.** Draft EIR released for 45-day public review with comments accepted by mail, email, facsimile transmission, and in person at two public meetings. Eighteen sets of written comments were received.

**October 20, 2014.** Public meetings on Draft EIR held at 3:00 p.m. and 5:30 p.m. in the city of Martinez. At these meetings, attendees had the opportunity to ask questions about, and present oral and/or written testimony on, the Draft EIR and its contents. Ten speakers provided comments at the two meetings; no written public comments were received at the two meetings.

**November 17, 2014 – January 23, 2015.** In preparing this Final EIR, CSLC staff obtained additional information as needed to respond to comments, responded to all comments received, and revised the Draft EIR (see Final EIR Parts II and III). The

CSLC hearing on the Final EIR and action on the proposed Project are scheduled for February 20, 2015. (Date is subject to change; see [www.slc.ca.gov](http://www.slc.ca.gov) for further information.)

PAGE INTENTIONALLY LEFT BLANK