

7.0 SOCIOECONOMICS AND ENVIRONMENTAL JUSTICE

Section 7.0 addresses socioeconomic and environmental justice issues associated with the proposed Tesoro Avon Marine Oil Terminal (Avon Terminal) Lease Consideration Project (Project), which would involve the granting by the California State Lands Commission (CSLC) of a new 30-year lease to Tesoro Refining and Marketing Company, LLC's (Tesoro) for continued Avon Terminal operations and Marine Oil Terminal Engineering Maintenance Standards compliance-related renovation.

7.1 SOCIOECONOMIC EFFECTS

This section presents the socioeconomic analysis for the Project. The regional and local population and existing economic conditions are presented, followed by a discussion of the contribution that the Avon Terminal makes to the regional and local economies. Impacts on socioeconomics from the proposed Project and alternatives are then presented. The level of impact that Avon Terminal renovation and continued operation would have on the local and regional economy is also assessed.

7.1.1 Analysis and Conditions

Population

Table 7-1 summarizes State, Contra Costa County (County), and city of Martinez (city) demographics from the 2000 census and the American Community Survey (the city of Martinez is the closest city to the Project area).

Table 7-1: Demographic Characteristics for Contra Costa County, City of Martinez, and California

Characteristic		2000	2010	2000 to 2010	
				Change	Percent
Total Population	City of Martinez	35,866	35,824	-42	-0.1
	Contra Costa County	948,816	1,049,025	100,209	11
	California	33,871,648	37,253,956	3,382,308	10
Housing Units	City of Martinez	14,597	14,976	379	3
	Contra Costa County	354,577	400,263*	45,686	13
	California	12,214,549	13,680,081	1,465,532	12
Employed	City of Martinez	19,169	18,164	-1,005	-5
	Contra Costa County	451,357	546,316	94,959	21
	California	15,829,202	18,625,515	2,796,313	18

Source: U.S. Census Bureau 2000, 2010, and 2006-2010 American Community Survey 5-year Estimates
 * The American Community Survey provides data annually; the census is conducted once every 10 years. The 5-year estimates are composed of 60 months of collected data, have the largest sample size, are the most reliable data set, and are best for analyzing very small populations. Due to the 1-year, 3-year, and 5-year variability, all data not published in the Census is analyzed as the same 5-year period.

1 The County’s population growth rate from 2000 through 2010 was 11 percent. During
 2 the same time period, housing units in the County increased by 45,686 units, or 13
 3 percent. Employment in the County increased by 21 percent from 2000 through 2010.

4 **Employment**

5 Table 7-2 shows employment in the County by major industry. The construction and
 6 public administration sectors experienced the most job growth, each with a 9 percent
 7 increase in employment between 2000 and 2010, while job numbers for manufacturing,
 8 transportation (including communications and utilities), and wholesale and retail trade
 9 industries decreased 0.4 percent over the same period.

Table 7-2: Contra Costa County Employment by Industrial Sector

Industry Sector	2000	2010	2000 to 2010	
			Growth	Percent
Agriculture, Forestry, Fisheries, and Mining	2,311	2,422	111	5
Construction	34,403	37,751	3,348	9
Manufacturing	38,281	36,178	-2,103	-6
Transportation, Communications, and Utilities	45,283	24,942	-20,341	-45
Wholesale and Retail Trade	69,052	68,725	-327	-0.4
Finance, Insurance, and Real Estate	47,361	49,000	1,639	0.3
Services (professional, educational, management)	195,863	204,262	8,399	0.4
Public Administration	18,803	20,612	1,809	9
Total	451,357	444,892	-6,465	-1.4

Source: U.S. Census Bureau 2000 and 2006–2010 American Community Survey 5-year Estimates

10 **Avon Marine Oil Terminal Contribution to the Economy**

11 The Avon Terminal is located in the lower Suisun Bay, approximately 1.75 miles east of
 12 the Benicia-Martinez Bridge, in unincorporated Contra Costa County. The existing Avon
 13 Terminal operates on approximately 11.24 acres of sovereign land leased from the
 14 CSLC. The Avon Terminal primarily operates as an export facility, transferring
 15 petroleum products (including premium fuel oil, gas oil, diesel, and cutter stock) from the
 16 Tesoro Golden Eagle Refinery (Refinery), located approximately 0.5 mile south of the
 17 Avon Terminal, to tanker vessels. Infrequently, the Avon Terminal imports refinery
 18 feedstocks, as needed; however, imports are typically conducted at Tesoro’s Amorco
 19 Marine Oil Terminal (Amorco Terminal).

20 Present operations at the Avon Terminal involve the transfer of exported products from
 21 designated product storage tanks at the Refinery via pipeline to tanker vessels berthed
 22 at the Avon Terminal, on an as-needed basis. For imports, petroleum feedstocks are
 23 transferred via pipelines from tanker vessels to upland storage tanks, and later
 24 transferred to the Refinery process units. Marine terminal operations are dictated by

1 vessel schedule, as well as tide and current; therefore, loading operations can occur at
2 any time, day or night. Although actual operation depends on shipping demands, the
3 Avon Terminal is capable of operating 365 days per year, 24 hours per day.

4 A minimum of two personnel—the Avon Terminal Person-in-Charge and a second crew
5 member—are required to be on duty during marine transfer operations, and they
6 typically work a 12-hour shift. Therefore, a minimum of four employees (two employees
7 per 12-hour shift) make trips to and from the facility each day. The Refinery typically
8 transports approximately 150,000 barrels per day of crude oil intake from waterborne
9 and land-based sources. As presented in Table 2-5 (refer to Section 2.0, Project
10 Description), over the last 5 years, Avon facilities have handled approximately 13 to 35
11 percent of the petroleum products transported at the Refinery. As such, the Avon
12 Terminal provides a key amenity for the Refinery’s future operation.

13 **7.1.2 Regulatory Setting**

14 No regulatory requirements are applicable to socioeconomics.

15 **7.1.3 Significance Criteria**

16 Impacts were considered to be significant if the proposed Project or any alternatives
17 would:

- 18 • Result in a substantial decrease in the employment and economic base of the
19 city of Martinez, Contra Costa County, or Avon Terminal
- 20 • Induce substantial growth or concentration of population, or displace a large
21 number of people
- 22 • Have the potential to impact the local or regional economy due to spills of
23 petroleum products

24 **7.1.4 Impact Analysis and Mitigation**

25 **Proposed Project**

26 After renovation, the Project would enable continued operation of the facility at its
27 existing service level. Continued Project operations would result in no changes in the
28 employment or economic activity levels. Consequently, continued Project operations
29 would have no impact on either the local or regional economy.

30 The Project would create approximately 50 to 180 temporary construction jobs. The
31 Project site is zoned for heavy industrial development, and there are no community
32 resources or residences on or adjacent to the Project site.

1 Project construction would have a positive effect on the local and State economy.
2 Applying a median wage of \$37,818 (Association of Bay Area Governments 2010), the
3 construction jobs may generate approximately \$6.8 million in direct income and \$13.6
4 million in indirect income.

5 The 50 to 180 construction jobs would be temporary, and most of the workforce would
6 be local skilled workers supplemented by outside contractor labor, as required. Tesoro
7 intends to engage in a Project Labor Agreement with the Contra Costa Building and
8 Construction Trades Council to use union workers in the completion of renovation
9 efforts required for the Project. Given the presence of multiple union halls in the local
10 and regional area, workers would most likely reside within 20 to 30 miles of the Project
11 site. Even assuming that all workers employed for renovation of this Project would
12 relocate from outside the County, with 24,899 vacant housing units in the County (U.S.
13 Census Bureau 2010), housing for the 50 to 180 construction workers could be
14 absorbed within the regional housing market without significant adverse impact.
15 Because most of the renovation workforce and all of the operations workers would be
16 residents of the region, the effect on population growth would be negligible. Project
17 impacts on population would be less than significant.

18 Given the Project's absence of a significant job increase or new development that
19 displaces any local residents, the Project would have minimal effects on the local or
20 regional economy. The only potentially significant economic effects that might be
21 associated with the Project would be potential indirect adverse economic effects that
22 might result from petroleum product spill impacts on local physical resources. The
23 indirect economic effects are analyzed below.

24 Extensive analysis and discussion of the potential resource impacts from the effect of
25 an accidental release of petroleum products at or near the Avon Terminal are presented
26 elsewhere in this Environmental Impact Report (EIR). The Project's spill risk is analyzed
27 in Section 4.1, Operational Safety/Risk of Accidents. The location and severity of any
28 such accidental spill would determine the nature, location, and severity of any related
29 environmental effects, and the analysis has accordingly modeled a variety of future spill
30 scenarios. The resource-specific potential impacts are discussed in detail in the
31 appropriate resource sections.

32 While there is no guarantee against accidental upset conditions, appropriate
33 preventative measures combined with the faculty to provide swift responses in the event
34 of a release can minimize the potential impacts, depending on the size of the spill.
35 Operational safety measures are also discussed in Section 4.1, Operational Safety/Risk
36 of Accidents. Adherence to the requirements of the Oil Spill Response Plan and other
37 operational safety measures as required by local, State, and federal regulations would
38 reduce the potential impact to the greatest extent practical. However, there remains a
39 significant and unavoidable adverse environmental impact associated with the

1 possibility of a large spill (i.e., more than 50 barrels of petroleum product) somewhere
2 within the San Francisco Bay. Given the unknown specifics of any such accident, the
3 nature and location of any such event's physical impacts are indeterminate. However, in
4 any case, the duration of almost any major accident is relatively short term.

5 The economic activity for the local and regional economy associated with any of the
6 resource areas that might be potentially affected depends on the size of the spill. Future
7 spill impacts would be temporary. For example, the recreation and commercial fishing
8 activity within the Avon Terminal vicinity or greater region that could potentially be
9 impacted by a Project-related spill event would be relatively limited. Furthermore, the
10 recreation and commercial fishing activity could relocate to other recreational or fishery
11 locations for the relatively short duration of the spill event. As discussed in more detail in
12 Section 4.9, Land Use and Recreation, local recreation is minimal, and hence,
13 generates negligible revenues and employment for the local or regional economy.
14 Similarly, Section 6.0, Commercial and Sport Fisheries, also details the extent of
15 commercial and sport fishing activity in the Avon Terminal vicinity. While these activities
16 generate greater employment and revenues, their magnitude is very small, especially
17 compared to the employment and revenues of the other industry sectors (such as
18 services, manufacturing, and trade), which play a far greater economic role in the local
19 and regional economy.

20 As a result, given the relatively minor role of the indirect economic effects associated
21 with any of the potentially affected resource areas, and because most of the Project-
22 related effects are projected to be less than significant, the resulting overall
23 socioeconomic impact is projected to be less than significant.

24 **No Project Alternative**

25 Under the No Project alternative, Tesoro's Avon Terminal lease would not be renewed
26 and the existing Avon Terminal would be subsequently decommissioned with its
27 components abandoned in place, removed, or a combination thereof. Under the No
28 Project alternative, crude oil would continue to be exported through Tesoro's Avon
29 Marine Oil Terminal; however, the daily throughput capacity for the Refinery would be
30 reduced, at least temporarily, as a result of shutting down the Avon Terminal operations.

31 Under the No Project alternative, Tesoro would have to pursue other means of export to
32 continue to meet existing regional demands and the current throughput from the Avon
33 Terminal. Options that Tesoro might pursue include: (1) transitioning the Amorco
34 Terminal (currently an import-only facility) to absorb export operations from the Avon
35 Terminal; (2) land-based alternatives such as pipeline, rail, or truck transportation; or (3)
36 some combination of these alternatives. All of these alternatives would require the
37 construction or modification of facilities and infrastructure, as well as lengthy and
38 complex regulatory processes, and subsequent environmental review.

1 The cessation of operations at the existing Avon Terminal site would reduce the
2 potential for accidental spills and upset conditions to occur at the Project site. However,
3 with increased operations at other terminals, the potential impacts would likely remain
4 relatively similar to those of existing conditions. Other terminals have similar regulatory
5 compliance requirements as the proposed Project, which would maintain potential
6 impacts at less-than-significant levels.

7 While closure of the Avon Terminal might have the beneficial effect of reducing the risks
8 of accidental spill impacts occurring locally, closure of the Avon Terminal operations
9 would eliminate the employment and revenue benefits that it generates for the local
10 economy. However, the analysis presumes that most of any “displaced” petroleum
11 product transfers would be relocated to another marine terminal in the region.
12 Consequently, the identified risk-reduction benefits are expected to be minimal, and the
13 Avon Terminal’s lost employment and revenue benefits would be similarly transferred to
14 another marine terminal facility. In any case, the resulting socioeconomic impact is
15 projected to be less than significant.

16 **Restricted Lease Taking Avon Terminal Out of Service for Oil Transport** 17 **Alternative**

18 Under this alternative, Tesoro’s Avon Terminal lease would be renewed, with
19 modification to restrict its allowed use such that the existing terminal would be left in
20 place, taken out of service, and placed into caretaker status for any petroleum product
21 transfer, and not decommissioned or demolished. No environmental impacts would be
22 associated with these activities. Because the structure of the Avon Terminal would
23 remain in place, Tesoro would retain the option to apply to bring it back into service for
24 oil transport at some time in the future, should the need arise. Any future change in use
25 of the Avon Terminal would require a lease action and potential separate California
26 Environmental Quality Act (CEQA) review by the CSLC.

27 This alternative would have the same type of socioeconomic effects as those identified
28 for the proposed Project, although the magnitude of the effects would be
29 correspondingly diminished. While the lesser risk of accidental spill impacts would be
30 beneficial, limits on future Avon Terminal operations would reduce employment and
31 revenue benefits that the Avon Terminal generates for the local economy. However, the
32 analysis presumes that most of any displaced product transfers would be relocated to a
33 nearby alternative facility. In any case, the resulting socioeconomic impact is projected
34 to be less than significant.

35 **7.1.5 Cumulative Project Analysis**

36 As discussed previously, because most of the renovation workforce and all of the
37 operations workers would be residents of the region, there would be little effect on
38 population growth or housing. Project renovation would have a temporary positive effect

1 on the local and State economy. Therefore, cumulative impacts associated with Project
2 renovation would be less than significant.

3 The only socioeconomic impacts associated with the Project are the indirect effects
4 associated with the potential petroleum product spill impacts on local physical
5 resources. Consequently, only the related cumulative impacts associated with potential
6 spills would have the potential to result in cumulative socioeconomic impacts. The past,
7 current, and foreseeable projects are identified in Section 3.0, Alternatives and
8 Cumulative Projects.

9 According to Section 4.1, Operational Safety/Risk of Accidents, the cumulative impact of
10 these other projects in conjunction with the Project would represent a significant and
11 unavoidable adverse effect of the Project.

12 However, the adverse impact is an unavoidable aspect of the Avon Terminal's function
13 by which it generates its positive direct economic impacts (i.e., generating the Avon
14 Terminal revenues and employment) as well as the indirect benefits of helping to meet
15 the regional fuel and energy demand. Furthermore, demand for the oil product is
16 independent of the Project and is expected to remain, irrespective of whether the
17 Project is approved. If the Project is not approved, the Avon Terminal transfer activities
18 would likely be relocated elsewhere in the region and would entail a comparable degree
19 of major spill risk. As a result, approval or closure of the Avon Terminal would not be
20 expected to appreciably change the overall total likelihood or magnitude of any major
21 spill and any resulting economic impacts. Consequently, the Project would have a less-
22 than-significant cumulative contribution to any potential adverse socioeconomic
23 cumulative impacts that might be associated with Avon Terminal operations.

24 **7.2 ENVIRONMENTAL JUSTICE**

25 This section discusses regional distributional patterns of high-minority and low-income
26 populations, and characterizes the distribution of such populations adjacent to the
27 Project site. This analysis focuses on whether the Project has the potential to adversely
28 and disproportionately affect minority populations, low-income communities, and
29 industries, thus creating a conflict with the intent of the CSLC's Environmental Justice
30 Policy (Policy). An inconsistency with the CSLC's Policy would occur if the Project
31 would:

- 32 • have the potential to disproportionately impact minority and/or low-income
33 populations at levels exceeding the corresponding medians for Contra Costa
34 County, where the Project is located; and/or
- 35 • result in a substantial disproportionate decrease in the employment and
36 economic base of minority and/or low-income populations residing in Contra
37 Costa County and/or immediately surrounding cities.

1 **7.2.1 Background**

2 **Federal**

3 On February 11, 1994, President Clinton issued an “Executive Order on Federal Actions
4 to Address Environmental Justice in Minority Populations and Low-Income Populations”
5 (Executive Order 12898), designed to focus attention on environmental and human
6 health conditions in areas of high-minority populations and low-income communities,
7 and promote non-discrimination in programs and projects substantially affecting human
8 health and the environment. As Chair of the Interagency Working Group on
9 Environmental Justice, the U.S. Environmental Protection Agency (USEPA) has lead
10 responsibility for implementation of Executive Order 12898. The order requires the
11 USEPA and all other federal agencies (and State agencies receiving federal funds) to
12 develop strategies to address this issue. The agencies are required to identify and
13 address any disproportionately high and adverse human health or environmental effects
14 of their programs, policies, and activities on minority and/or low-income populations.

15 In 1996, the USEPA’s Office of Environmental Justice released the Environmental
16 Justice Implementation Plan, supplementing the USEPA environmental justice strategy
17 and providing a framework for developing specific plans and guidance for implementing
18 Executive Order 12898. Federal agencies received a framework for the assessment of
19 environmental justice in the USEPA (1998) Final Guidance for Incorporating
20 Environmental Justice Concerns in EPA’s NEPA Compliance Analyses. This approach
21 emphasizes the importance of selecting an analytical process appropriate to the unique
22 circumstances of the potentially affected community.

23 The Council on Environmental Quality (CEQ) has oversight of the federal government’s
24 compliance with Executive Order 21898 and the National Environmental Policy Act
25 (NEPA). The CEQ, in consultation with the USEPA and other affected agencies, has
26 developed guidance to further assist federal agencies with their NEPA procedures so
27 that environmental justice concerns are effectively identified and addressed. To the
28 extent practicable and permitted by law, agencies may supplement this guidance with
29 more specific procedures tailored to particular programs or activities of an individual
30 department, agency, or office.

31 **State**

32 While many State agencies have used the USEPA’s Environmental Justice
33 Implementation Plan as a basis for the development of their own environmental justice
34 strategies and policies, the majority of California State agencies do not have guidance
35 for incorporation of the environmental justice impact assessment into CEQA analysis.

36 The CSLC has developed and adopted an Environmental Justice Policy to ensure
37 equity and fairness in its own processes and procedures. The CSLC adopted and

1 amended the Policy on October 1, 2002, to ensure consideration of environmental
2 justice as part of CSLC processes, decisions, and programs. The Policy stresses
3 equitable treatment of all members of the public and commits to consider environmental
4 justice in its processes, decision-making, and regulatory affairs. The Policy is
5 implemented, in part, through identification of, and communication with, relevant
6 populations that could be adversely and disproportionately affected by CSLC projects or
7 programs, and by ensuring that a range of reasonable alternatives is identified that
8 would minimize or eliminate environmental issues affecting such populations. This
9 discussion is provided in this document consistent with and in furtherance of the CSLC's
10 Environmental Justice Policy.

11 **Local**

12 Regional and local environmental justice assessments, such as the Metropolitan
13 Transportation Commission's (MTC) *2001 Regional Transportation Plan Equity Analysis*
14 *and Environmental Justice Report*, have been performed by agencies within the study
15 area. Methods applied in this EIR analysis are consistent with those used in the MTC
16 report.

17 **7.2.2 Setting**

18 This section analyzes the distributional patterns of high-minority and low-income
19 populations within the Project's affected region, and characterizes the distribution of
20 such populations within the two census tracts that are within 1 mile shoreside of the
21 Project site.

22 **Project Study Area**

23 The Project study area used for the environmental justice analysis includes a 1-mile
24 radius from the Avon Terminal. This is considered a conservative boundary for the
25 environmental justice analysis and any potential Project-related significant impacts
26 related to air quality, noise, or hazardous materials on local residents. Although the
27 Avon Terminal is located on State tidelands under the jurisdiction of the CSLC, the
28 hazard footprint extends within the area of influence of the city and within land under the
29 jurisdiction of the County, which were defined as the Community of Comparison for this
30 analysis.

31 According to the USEPA (1998) *Final Guidance for Incorporating Environmental Justice*
32 *Concerns in EPA's NEPA Compliance Analyses*, a minority or low-income community is
33 disproportionately affected when the community would bear an uneven level of health
34 and environmental effects compared to the general population. Racial and income data
35 were collected for the census block group within the potential impact radius of the Avon
36 Terminal. Racial and income demographic information were also obtained for the
37 communities of comparison identified for the Project.

1 Study Area Demographics

2 Portions of two census tracts were determined to be within the previously defined 1-mile
3 radius of the Avon Terminal, and demographic data from the two census tracts were
4 used as the study area for this analysis. The area of effect from potential hazards
5 occurring at the Avon Terminal is located in two census tracts shoreside of the Avon
6 Terminal—3150 and 3200.01.

7 Minority Populations

8 The U.S. Census Bureau census year 2010 study area population was 7,055, 24.0
9 percent of which is considered to be of a minority race (see Table 7-3) (U.S. Census
10 Bureau 2011). The largest percentage minority group within the study area was the
11 “Asian” category, which included 700 persons or approximately 9.9 percent of the total
12 study area population. In comparison, the city and County had total minority group
13 population ratios of 22.9 and 41.4 percent, respectively.

Table 7-3: Race Characteristics (2010)

Race	Project Study Area	City of Martinez	Contra Costa County
White	4,931	27,603	614,512
Black or African American	441	1,303	97,161
American Indian and Alaska Native	0	255	6,122
Asian	700	2,876	151,469
Native Hawaiian/Other Pacific Islander	169	121	4,845
Some other race alone	498	1,425	112,691
Two or more races	316	2,241	62,225
Minority Subtotal (percent of total)	2,124 (24.0%)	8,221 (22.9%)	434,513 (41.4%)
Total	7,055	35,824	1,049,025

Source: U.S. Census Bureau 2010 and 2006-2010 American Community Survey 5-year Estimates

14 To ensure that study area minority populations are adequately and fully identified,
15 census data were gathered for Hispanic origin. Hispanic is considered an origin, not a
16 race, by the U.S. Census Bureau. An origin can be viewed as the heritage, nationality
17 group, lineage, or country of birth of the person or the person’s parents or ancestors
18 before their arrival in the United States (U.S. Census Bureau 2011). People who identify
19 their origin as Spanish, Hispanic, or Latino may be of any race. Therefore, those who
20 are counted as Hispanic are also counted under one or more race categories. Census
21 respondent write-in entries, such as Hispanic/Latino, are believed to constitute the
22 majority of the “some other race” category within the Project study area. For the census
23 year 2010, 23.6 percent of the Project study area population identified as having
24 Hispanic origin, compared to 14.7 percent in the City and 24.4 percent in the County
25 (see Table 7-4).

Table 7-4: Hispanic Origin (2010)

	Hispanic in Origin	Total Population	Percent Hispanic
Project Study Area	1,671	7,055	23.6
City of Martinez	5,258	35,824	14.7
Contra Costa County	255,560	1,049,025	24.4

Source: U.S. Census Bureau 2010 and 2006–2010 American Community Survey 5-year Estimates

1 Low-income Populations

2 The 1997 CEQ environmental justice guidance does not clearly set the demarcations at
3 the census poverty thresholds, but states that “Low-income populations in an affected
4 area should be identified with the annual statistical poverty thresholds from the Bureau
5 of the Census’ Current Population Reports, Series P-60 on Income and Poverty.”

6 Poverty level thresholds vary according to a household’s size and composition. The
7 most current poverty thresholds (U.S. Census Bureau 2013) are \$23,642 for a two-
8 parent household with two children. The poverty thresholds provide a national
9 measurement of income that is not adjusted for regional costs of living. The U.S.
10 Census Bureau (2008–2012 American Community Survey) poverty statistical data also
11 report population data income ratios from 50 percent to 200 percent of the poverty
12 threshold. For many federal and State programs serving low-income households,
13 eligibility levels are significantly higher than the poverty level.

14 As shown in Table 7-5, U.S. Census Bureau (2008–2012 American Community Survey)
15 data show that 1,008 persons within the study area in 2012 were below the poverty
16 level. This represents approximately 14.9 percent of the population within the study
17 area. The city and the County had percentages of 6.5 percent and 10.2 percent,
18 respectively, of their population determined to be below the poverty level.

Table 7-5: Study Area Population Poverty Status (2012)

	Population Estimated Below Poverty Level in 2012	Total Population in 2012	Estimated Percent of Population Below Poverty Level in 2008-2012
Project Study Area	1,008	6,762	14.9
City of Martinez	2,257	34,802	6.5
Contra Costa County	106,304	1,042,528	10.2

Source: U.S. Census Bureau 2008–2012 American Community Survey 5-year Estimates

19 **7.2.3 Policy Analysis and Conditions**

20 **Methodology**

21 As identified in other sections of this EIR, the Project has the potential to result in
22 significant adverse physical effects on the environment. These effects would represent

1 conflicts with the CSLC Environmental Justice Policy if they disproportionately affect
2 minority or low-income populations or decrease these communities' employment and/or
3 economic bases.

4 A two-step process has been conducted to assess the Project's consistency with the
5 CSLC Environmental Justice Policy. First, areas within the study area containing
6 minority or low-income populations that may be disproportionately affected
7 ("communities of concern") were identified using MTC and 1997 CEQ guidance. The
8 second step of the process evaluated the Project's significant, unmitigated adverse
9 resource effects to determine whether these effects would have a disproportionate
10 environmental impact on any of the identified minority and/or low-income populations.
11 Impacts for each resource are generally discussed in this analysis; resource-specific
12 impact information should be drawn from the appropriate EIR section. The analysis also
13 evaluates whether the Project would have impacts on local employment or the
14 communities' local economies.

15 For any identified significant unmitigated adverse effect, more detailed and site-specific
16 review of the residential population within the "communities of concern" would be
17 performed. Census tracts typically encompass relatively large residential areas that may
18 extend beyond the area where the resource impacts might be located; additional site-
19 specific demographic review may be required to identify and evaluate the actual
20 population located within the "potential impact radius" that would be affected. The site-
21 specific analysis would also potentially be used to evaluate the nature and severity of
22 the specific resource impacts and determine (if possible) appropriate mitigation
23 measures.

24 **"Communities of Concern" Definitions**

25 Minority Populations

26 According to the 1997 CEQ guidance for environmental justice analysis:

27 *Minority populations should be identified where either (a) the minority population of*
28 *the affected area exceeds 50 percent or (b) the minority population percentage of*
29 *the affected area is meaningfully greater than the majority population percentage in*
30 *the general population or other appropriate unit of geographic analysis. A minority*
31 *population also exists if there is more than one minority group present and the*
32 *minority percentage, as calculated by aggregating all minority persons, meets one of*
33 *the above-stated thresholds.*

34 MTC's 2001 *Regional Transportation Plan Equity Analysis and Environmental Justice*
35 *Report* identified areas within the MTC planning area that had high proportions of
36 minority and low-income populations. According to MTC criteria, areas with high

1 percentages of minority populations (Minority Zones) were those having minority
2 populations of 70 percent or more.

3 As a conservative assumption, the environmental justice analysis uses the CEQ
4 minority population definition to identify communities of concern within the Project study
5 area.

6 Low-income Populations

7 The 1997 CEQ guidance does not clearly set the demarcations at the census poverty
8 thresholds, but states that “Low-income populations in an affected area should be
9 identified with the annual statistical poverty thresholds from the Bureau of the Census’
10 Current Population Reports, Series P-60 on Income and Poverty.”

11 The MTC *2001 Regional Transportation Plan Equity Analysis and Environmental Justice*
12 *Report* provides one of the most substantial recent environmental justice analyses, and
13 is used by several other Bay Area agencies as a model. In its definition of low-income
14 communities, the report states (MTC 2001):

15 *Low-income is defined as the household income that is at or below the United States*
16 *Department of Health and Human Services Poverty Guidelines. For the purposes of*
17 *this exercise [i.e., 2001 Regional Transportation Plan Equity Analysis] the definition*
18 *of low-income to households was established as households at or below 200*
19 *percent of poverty. This level was used to reflect the relatively high cost of living in*
20 *the Bay Area. Zones, where the low-income population was 30 percent of the total*
21 *population or greater, were included in the Equity Analysis.*

22 As a conservative assumption, the environmental justice analysis uses the MTC low-
23 income population definition to identify communities of concern within the Project study
24 area.

25 Areas with Meaningfully Greater Minority or Low-Income Populations

26 For those communities that do not meet either of above community of concern
27 definitions, minority and low-income percentages for the communities were compared to
28 those of the communities of comparison to determine whether the remaining study area
29 census tracts have meaningfully greater minority or low-income populations. A census
30 track’s minority or low-income population differences were considered “meaningfully
31 greater” if its population of low-income or minority residents sufficiently altered the
32 character of the community to enable it to be clearly distinguished from that of its
33 community of comparison.

1 **7.2.4 Relationship to Alternatives**

2 **Communities of Concern Identified Within the Project Study Area**

3 The above identified communities of concern criteria were applied to the two census
4 tracts identified within the study area. In addition, the census tracts were compared to
5 demographic data for the communities of comparison to determine whether either
6 census tract had a meaningfully greater percentage of minority or low-income
7 population.

8 Under the State CEQA Guidelines for minority populations, Census Tracts 3150 and
9 3200.01 (with combined 24.0 percent minorities) do not qualify as communities of
10 concern. Based on the MTC low-income definitions, Census Tracts 3150 and 3200.01
11 (with combined 14.9 percent of the population below the poverty level) do not qualify as
12 communities of concern.

13 **Environmental Justice Impacts on a Surrounding Community of Concern**

14 Proposed Project

15 Census Tracts 3150 and 3200.01, which encompass the Project site, do not qualify as
16 communities of concern, and therefore, an environmental justice analysis is not
17 warranted to determine if Project construction would disproportionately affect this local
18 residential population.

19 Another important factor relevant to environmental justice is that the proposed future
20 Project operations would be unchanged from the current activities and land uses at the
21 site and the surrounding vicinity. Consequently, because no changes in the Project's
22 current air quality and noise effects are expected to occur, the proposed new lease
23 would, therefore, have no impact on these resources. As a result, no inconsistency with
24 the CSLC's Environmental Justice Policy would be expected to result from the effects of
25 Project-related activities on the area's air quality or noise conditions.

26 Based on the environmental analysis conducted for this EIR, several potential
27 significant impacts were identified within the other resource areas; these impacts would
28 require mitigation to ensure that their effects would be less than significant. The
29 principal potential environmental impacts on the local residential populations in the
30 Project vicinity consist of hazardous material or waste releases (discussed in Section
31 4.3, Water Quality), or the various resource impacts that could be associated with an
32 accidental release of petroleum product at or near the Avon Terminal (refer to Section
33 4.1, Operational Safety/Risk of Accidents).

34 Water quality and waste-handling regulations, as well as the Avon Terminal's
35 Stormwater Pollution Prevention Plan, would ensure that the potential impacts from any
36 hazardous materials or waste within the study area through improper handling or

1 storage, accidental upset conditions, or stormwater runoff would be reduced to a less-
2 than-significant level. Consequently, there would be no inconsistency with the CSLC's
3 Environmental Justice Policy that would result from the effects of Project-related
4 operations on water quality.

5 Extensive analysis and discussion of the potential temporary resource impacts from the
6 unlikely effect of an accidental release of petroleum product at or near the Avon
7 Terminal are discussed elsewhere in this EIR. The Project's spill risk is analyzed in
8 Section 4.1, Operational Safety/Risk of Accidents. The location and severity of any such
9 accidental spill would determine the nature, location, and severity of any related
10 environmental effects; the analysis has accordingly modeled a wide variety of future
11 spill scenarios. The resource-specific potential impacts are discussed in detail in the
12 appropriate resource sections.

13 While there is no guarantee against accidental upset conditions, appropriate
14 preventative measures, combined with the faculty providing swift responses in the event
15 of a release, can minimize the potential impacts. Operational safety mitigation measures
16 are also discussed separately in Section 4.1, Operational Safety/Risk of Accidents.
17 Adherence to the requirements of the Oil Spill Response Plan—along with other
18 operational safety measures as required by local, State, and federal regulations—would
19 reduce the potential impact to the greatest extent practicable.

20 However, there would remain a significant and unavoidable adverse environmental
21 impact associated with the possibility of a large spill (i.e., more than 50 barrels of
22 petroleum product) somewhere within the San Francisco Bay. Given the unknown
23 specifics of any such accident, the nature and location of any such event's physical
24 impacts are unknown. However, the duration of most accidents would be relatively short
25 term. The economic activity for the local and regional economy associated with any of
26 the resource areas that might be potentially affected depends on the size of the spill.
27 Future spill impacts would be temporary. Furthermore, the geographical area that would
28 be affected by any future spill would vary considerably given the nature, location, and
29 timing of the spill. Therefore, resulting impacts, although largely limited to coastal areas,
30 would not disproportionately affect low-income or minority communities. Consequently,
31 there is no inconsistency with the CSLC's Environmental Justice Policy resulting from
32 the effects of Project-related operations.

33 The Avon Terminal has been operational since 1925. As a result, the continued
34 operation of the facility would ensure that the Project's current employment and local
35 economic activity levels are maintained. The facility's current operations have a positive
36 economic impact on the surrounding local communities, due to the Project's
37 employment and revenue benefits to the local economy. Consequently, given the
38 absence of any local employment or economic activity decreases, no inconsistency with

1 the CSLC's Environmental Justice Policy would be expected to result from the Project's
2 economic effects.

3 No Project Alternative

4 Under the No Project alternative, a new lease for the Avon Terminal would not be
5 granted and the existing wharf would be either decommissioned, abandoned, removed,
6 or a combination thereof. Because it can be expected that demand for the products
7 currently handled at the Avon facility would continue with or without the proposed
8 Project, under the No Project Alternative, Tesoro would have to pursue other means of
9 export to continue to meet existing regional demands and the current throughput from
10 the Avon Terminal. Options that Tesoro might pursue include: (1) transitioning the
11 Amorco Terminal (currently an import-only facility) to absorb export operations from the
12 Avon Terminal; (2) land-based alternatives such as pipeline, rail, or truck transportation;
13 or (3) some combination of these alternatives. The limited truck and rail capacity at the
14 Refinery could not accommodate all of the displaced product and would likely lead to
15 diversion of some product shipments to other marine oil terminals, including the Amorco
16 Terminal.

17 Cessation of operations at the existing Avon Terminal would reduce the potential for
18 accidental spills and upset conditions to occur at the Project site. However, with
19 increased operations at other terminals, the potential impacts would likely remain
20 relatively similar to those of existing conditions. Other terminals have similar regulatory
21 compliance requirements as the proposed Project, which would reduce potential
22 impacts to less-than-significant levels.

23 While closure of the Avon Terminal might have the beneficial effect of reducing the risks
24 of accidental spill impacts occurring locally, closure of the Avon Terminal would
25 eliminate the employment and revenue benefits that the Avon Terminal generates for
26 the local economy. However, the analysis presumes that most of any displaced product
27 transfers would be relocated to a nearby alternative facility. Consequently, the identified
28 risk-reduction benefits are expected to be minimal, and the Avon Terminal's lost
29 employment and revenue benefits would be similarly transferred to the other facility. In
30 any case, no inconsistency with the CSLC's Environmental Justice Policy would be
31 expected to result under the No Project Alternative.

32 Restricted Lease Taking Avon Out of Service for Oil Transport Alternative

33 This alternative would have the same type of environmental justice effects as those
34 identified for the proposed Project, although the magnitude of the effects would be
35 correspondingly diminished. While the lesser risk of accidental spill impacts would be
36 beneficial, limits on future Avon Terminal operations would reduce employment and
37 revenue benefits that the Avon Terminal generates for the local economy. However, the
38 analysis presumes that most of any "displaced" product transfers would be relocated to

1 a nearby alternative facility. Consequently, the identified risk-reduction benefits are
2 expected to be minimal, and the Avon Terminal's lost employment and revenue benefits
3 would be similarly transferred to the other facility. In any case, no inconsistency with the
4 CSLC's Environmental Justice Policy would be expected to result under the Restricted
5 Lease Taking Avon out of Service for Oil Transport Alternative.

6 **7.2.5 Cumulative Project Policy Analysis**

7 As discussed previously, Census Tracts 3150 and 3200.01, which encompass the
8 Project site, do not qualify as communities of concern, and therefore, an environmental
9 justice analysis is not warranted to determine if Project construction would
10 disproportionately affect this local residential population.

11 The only environmental justice impacts associated with the Project are the indirect
12 effects associated with the potential petroleum product spill impacts on local physical
13 resources. Consequently, only the cumulative impacts associated with potential spills
14 would have the potential to result in cumulative environmental justice impacts. The past,
15 current, and reasonably foreseeable projects are identified in Section 3.0, Alternatives
16 and Cumulative Projects.

17 According to Section 4.1, Operational Safety/Risk of Accidents, the cumulative impact of
18 other projects in conjunction with the Project would represent a significant and
19 unavoidable adverse environmental impact associated with the possibility of a large spill
20 (i.e., more than 50 barrels of petroleum product) somewhere within the San Francisco
21 Bay. Given the unknown specifics of any such accident, the nature and location of any
22 such event's physical impacts are unknown. However, in any case, the duration of most
23 major accidents is expected to be relatively short term. The economic activity for the
24 local and regional economy associated with any of the resource areas that might be
25 potentially affected is relatively minor, and any future spill impacts would be temporary.
26 Furthermore, the geographical area that would be affected by any future spill would vary
27 considerably given the nature, location, and timing of the spill. Therefore, resulting
28 impacts, although largely limited to coastal areas, would not disproportionately affect
29 low-income or minority communities but could affect a wide variety of coastal
30 communities within the region. Consequently, no inconsistency with the CSLC's
31 Environmental Justice Policy would result from the cumulative effects of the Project's
32 future operations.

33 This adverse impact is an unavoidable aspect of the Avon Terminal's function by which
34 it generates its positive direct economic impacts (i.e., generating the Avon Terminal
35 revenues and employment) and the indirect benefits of helping to meet the regional fuel
36 and energy demand. Furthermore, demand for oil products is independent of the Project
37 and is expected to remain irrespective of whether the Project is approved. If the Project
38 is not approved, the Avon Terminal transfer activities would likely be relocated

7.0 Socioeconomics and Environmental Justice

1 elsewhere in the region and would entail a comparable degree of major spill risk. As a
2 result, approval or closure of the Avon Terminal would not appreciably change the
3 overall total likelihood or magnitude of any major spill and any resulting adverse
4 impacts. Consequently, the Project would have a less-than-significant cumulative
5 contribution to any potential adverse economic cumulative impacts that might be
6 associated with a major spill occurrence. As a result, approval of the Project would be
7 consistent with the CSLC's Environmental Justice Policy because no disproportionate
8 employment or economic impacts on communities of concern would be expected from
9 the Project's less-than-significant cumulative impacts.