



## STAFF REPORT

**TO:** PLANNING COMMISSION

**PREPARED BY:** Michael Chandler, Senior Management Analyst  
Dina Tasini, Planning Manager

**SUBJECT:** Plains All American (Plains Product Terminals) Pipeline Franchise Agreement finding of General Plan Consistency

### GENERAL INFORMATION

**OWNER/APPLICANT:** Plains Products Terminals, LLC

**LOCATION:** Franchised pipelines include three pipelines (16", 12" and 6" lines of varying lengths) located west of the Plains Terminal within the Marina Vista Avenue right of way and entering the City and the Franchise area at the limit line at the intersection of Marina Vista Avenue and the Interstate 680 overpass. The pipelines exit the Franchise area at various points along the frontage of the Shell refinery. One additional section of relocated 12" pipeline is located east of the Plains Terminal in the shoulder of Waterfront Road, entering the City boundary at the foot of the bridge over the Union Pacific Railroad running easterly within the shoulder of Waterfront Road exiting the Franchise area at the eastern City limit.

**GENERAL PLAN:** Light Industrial

**ZONING:** Heavy Industrial and a portion in Heavy Industrial/Environmental Conservation District (HI and HI/ECD)

#### ENVIRONMENTAL

**REVIEW:** Staff proposes the Planning Commission find the project to be categorically exempt (Section 15302 (C)-Replacement or Reconstruction and Statutorily exempt (Section 15284 (a) Pipelines)

**PROPOSAL:** Finding of General Plan Consistency to allow the proposed Plains All American Franchise Renewal

**APPROVAL REQUESTED:** Adopt the resolution finding the renewal of the Plains Products Terminals is consistent with the General Plan and is exempt from CEQA pursuant to sections 15302c and 15284a.

## **RECOMMENDATION**

Adopt the attached resolution finding that the renewal of the Plains Products Terminals, LLC franchise is consistent with the General Plan.

## **PROJECT DESCRIPTION**

The project is the renewal of an existing pipeline franchise agreement, which requires a General Plan consistency finding.

## **SITE and CONTEXT DESCRIPTION**

Pipelines subject to the franchise renewal include a system of three pipelines located west of the Martinez Plains Terminal (2801 Waterfront Road) and a portion of relocated pipeline located east of the Plains Terminal. The westerly pipelines are located within the Marina Vista Avenue right of way, entering the City and Franchise Area at the limit line at the intersection of Marina Vista Avenue and the Interstate 680 overpass and exiting the Franchise area at various points along the frontage of the Shell refinery. The relocated pipeline east of the terminal is in the shoulder of Waterfront Road, entering the City boundary at the foot of the bridge over the Union Pacific Railroad and running easterly until it exits the Franchise area at the eastern City limit.

## **BACKGROUND**

Plains Products Terminals, LLC has applied to renew a franchise agreement for existing oil pipelines located in the City rights of way. The current franchise was originally granted to Wickland Oil Company under Ordinance No. 1225 C.S., adopted September 1995 for a 20-year term. The franchise was subsequently transferred to Shore Terminals, LLC in December 1998 by assignment, then purchased by Pacific Atlantic Terminals, LLC in 2005. Pacific Atlantic Terminals, LLC merged with Plains All-American Pipeline, LP ("Plains All-American") in November 2006. Plains Products Terminals, LLC (parent corporation of Plains All-American Pipeline) is the entity requesting renewal of the franchise for a 20-year term. The current franchise was extended in August 2015 to December 31, 2015 to afford the City and Plains additional time to negotiate terms and conditions of the franchise. Section 65402 of the Government Code requires a report from the planning agency of the proposal's consistency with the general plan before the City sells or otherwise disposes of any real property. The City Attorney's opinion is that a franchise agreement of this kind falls under this section.

Franchise Ordinance No. 1225 C.S. allows four (4) pipelines, as follows: up to three (3) pipelines with maximum diameter of 16" transporting various liquid products, and one (1) pipeline with maximum diameter of 12" transporting natural gas. The existing pipeline system configuration is within the current franchise allowance as it includes one (1) 16" line and two (2) 12" lines transporting various liquid products, and one (1) 6" line transporting natural gas. The pipeline system as listed contains a section of 12" line (Pipeline 191) recently relocated from the Pacheco Marsh within the County Flood Control District into the City's right of way along Waterfront Road. Relocating the pipeline out of the marsh was a priority for Plains and the State and County agencies due to permitting issues arising each

time maintenance of the pipeline was required. Relocating out of the marsh and into the road shoulder increased visibility of the pipeline in case of a problem or to identify a general need for maintenance. This relocated section of Pipeline 191 will now be included under the new/renewed franchise.

### **STAFF ANALYSIS**

The project entails the renewal of an existing franchise agreement with Plains. The franchise agreement as extended in August 2015 will terminate on December 31, 2015. A franchise renewal is proposed to continue permitting Plains to locate and operate pipelines within the City Right of Way. The pipeline locations are all within heavy and light industrial areas in Martinez, within areas zoned Industrial and which have a General Plan Designation of Industrial.

Various mitigation measures for the pipelines include, but are not limited to, requiring periodic pressure testing to assure normal operation of lines; requiring regular visual surveillance of the lines; maintaining membership in the Underground Services Alert (USA) and requiring all contractors to contact USA at least 48 hours prior to on-site activity; and the allowance that only roads may be constructed over the lines and related easements. Furthermore, the Terminal and associated pipelines are subject to the following regulatory agencies:

- State Fire Marshal/Office of Pipeline Safety
- Bay Area Air Quality Management District
- California State Lands Commission
- San Francisco Bay Conservation and Development Commission
- San Francisco Bay Regional Water Quality Control Board
- DOT/Pipeline and Hazardous Materials Safety Administration
- U.S. Coast Guard
- U.S Environmental Protection Agency
- CA Department of Fish & Wildlife, Office of Spill Prevention & Response
- Contra Costa Health Services
- Central Contra Costa Sanitary District

### **ATTACHMENTS**

- A) Plains Franchise Renewal Request Letter of 7-15-15
- B) Plains Pipelines Map
- C) Resolution No. 15-05



**PLAINS**  
Products Terminals LLC

July 15, 2015

City of Martinez  
Michael Chandler  
525 Henrietta Street  
Martinez, CA 94553-2394

Subject: Plains Products Terminals LLC  
City of Martinez Franchise Ordinance 1225  
Franchise Renewal Application

Dear Mr. Chandler:

Plains Products Terminals LLC, a Delaware limited liability company having its principle place of business at 333 Clay Street, Suite 1600, Houston, TX 77002 hereby makes application pursuant to the Franchise Act of 1937 (California Public Utilities Code Section 6201 et seq) to renew the Franchise granted to Wickland Oil Company under Ordinance 1225 adopted September 11, 1995; subsequently granted to Shore Terminals LLC, a Delaware Corporation by Ordinance 1260; by assignment and to Pacific Atlantic Terminals LLC, a Delaware limited liability company under Ordinance 1332. Plains Products Terminals LLC assumed control of Franchise Ordinance 1225 pursuant to Section 9 of the Franchise – Assignment and Transferability. Plains Products Terminals LLC hereby requests that the franchise be renewed for a 20 year term.

The pipeline system in its current configuration consists of four (4) pipelines:

1. A 16", a 12" and a 6" line of varying lengths located within the Waterfront Road right of way and crossing the city limit line at the intersection of Waterfront Road and the Interstate 680 overpass to enter the Franchise area and exiting the Franchise area at various points along the frontage of the Shell refinery.
2. A relocated section of 12" line located to the shoulder of Waterfront Road, crossing the easterly city limit to enter the Franchise area and exiting the Franchise area at the foot of the bridge over the UPRR.

The City has received payment thru September 2015 for the current Franchise pipelines (1), however relocation of the portion of the 12" line into the Waterfront Road shoulder has been recently completed and Plains would expect to make additional payment for this line from its in service date of December 14, 2014 thru September 2015 upon completion of the renewal process. Plains would also expect to continue Franchise payments based on the cubic foot formula as set out in Ordinance 1225, Section 4 – Fee, with adjustments as might be negotiated during the renewal process.

Maps of the pipeline locations have been previously provided for review and any City requested changes or additions are welcome.

You have confirmed with us that an initial, replenishable Administrative Review deposit of \$10,000.00 to cover staff and legal time for processing the renewal is required. We also understand as part of this franchise renewal process, we will enter into a formal Letter of Agreement with the City of Martinez. Enclosed please find the signed Letter of Agreement and our check for \$10,000.00.

If you need additional information regarding this application, please contact Dave Randall at 707-567-1851 or Paula Bawden at 562-728-3271.

Sincerely,



James Jacoby  
Manager, Western Region  
Land Department

Enclosures





**PLAINS**  
ALL AMERICAN  
PIPELINE, L.P.

**PLAINS ATLANTIC TERMINALS**

MARTINEZ TERMINAL  
CITY OF MARTINEZ

Scale: 1:4,000  
Sheet No.: 1/1





**RESOLUTION NO. PC 15-05**

**RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MARTINEZ, FINDING THAT EXTENSION OF A FANCHISE AGREEMENT WITH PLAINS ALL AMERICAN IS CONSISTENT WITH THE GENERAL PLAN**

**WHEREAS**, there are three existing within the Marina Vista Right of Way and one pipeline to be relocated Waterfront Road; and

**WHEREAS**, the City of Martinez has an existing franchise agreement and extension of that agreement is now necessary;

**WHEREAS**, the properties where the pipelines are located are designated Heavy Industrial and a portion of pipeline lies within Heavy Industrial/Environmental Conservation District; and

**WHEREAS**, Industrial uses are consistent with the General Plan in the areas of the proposed pipeline; and

**WHEREAS**, pursuant to Section 15302(c), Replacement or Reconstruction of the California Environmental Quality Act (CEQA) the project is categorically exempt; and

**WHEREAS**, pursuant to Section 15284 (a), Pipelines of the California Environmental Quality Act (CEQA) the project is statutorily exempt; and

**NOW, THEREFORE, BE IT RESOLVED** that the Planning Commission hereby determines, pursuant to Government Code Section 65402, that the proposed extension of an existing franchise agreement is consistent with the General Plan.

\* \* \* \* \*

**I HEREBY CERTIFY** that the foregoing is a true and correct copy of a resolution duly adopted by the Planning Commission of the City of Martinez at a regular meeting of said Commission held on the 27<sup>th</sup> day of October by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

BY: \_\_\_\_\_  
Dina Tasini  
Planning Manager/Clerk Pro Tem