

## COASTAL CONSERVANCY

Staff Recommendation

April 27, 2017

### **TERMINAL FOUR WHARF REMOVAL PROJECT**

Project No.14-025-01

Project Manager: Marilyn Latta

**RECOMMENDED ACTION:** Consideration and possible Conservancy authorization to disburse up to \$500,000, including up to \$276,000 from Pacific States Marine Fisheries Commission and up to \$224,000 from San Francisco Bay Conservation and Development Commission, for planning, design, permit applications, and environmental compliance documents for the Terminal Four Wharf Removal Project near Point San Pablo, Contra Costa County.

**LOCATION:** Point San Pablo, Richmond (Contra Costa County)

**PROGRAM CATEGORY:** Resource Enhancement

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#### **EXHIBITS**

Exhibit 1: [Regional Map](#)

Exhibit 2: [Map of the Terminal Four Wharf](#)

Exhibit 3: [Photographs of the Terminal Four Wharf](#)

Exhibit 4: [BCDC Approval Letter](#)

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#### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to \$500,000, including up to \$276,000 from Pacific States Marine Fisheries Commission and up to \$224,000 from the San Francisco Bay Conservation and Development Commission, for planning, design, permit applications, and environmental compliance documents for the Terminal Four Wharf Removal Project.

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

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1. The proposed authorization is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, regarding the resource goals of the San Francisco Bay Area Conservancy Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.”

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### **PROJECT SUMMARY**

Staff recommends that the Conservancy authorize disbursement of up to \$500,000, including \$276,000 from the Pacific States Marine Fisheries Commission (PSMFC) and \$224,000 from the San Francisco Bay Conservation and Development Commission (BCDC), for planning, design, permit applications and environmental compliance documents for the Terminal Four Wharf Removal Project (Project). The Project will remove abandoned pilings and wharfs at Terminal Four near Point San Pablo in Contra Costa County to achieve by these goals:

1. Reduce pollution in San Francisco Bay - the removal of creosote-treated pilings will reduce pollution in the Bay; polycyclic aromatic hydrocarbons (PAHs) and other chemicals that leach out of creosote adversely affect wildlife species in the bay, including Pacific herring spawning success and egg development.
2. Enhance eelgrass habitat - the abandoned pilings and wharfs create shade that impedes eelgrass growth.
3. Improve navigation and reduce marine debris - derelict wharf structures and pilings pose navigational hazards and release marine debris into the Bay.

In July 2014, under the Executive Officer’s delegated authority to expend funds to develop projects, the Conservancy retained a professional services consulting firm to develop conceptual designs and plans for a creosote removal project at Terminal Four. This disbursement request is for the next phase of work, which will further the planning and design work and will involve preparation of associated permit applications and environmental documentation for the Project. Specifically, it will include 60% design planning for wharf and piling removal, and an assessment of whether habitat restoration is needed as part of the Project.

Concepts to be assessed include: restoring eelgrass within the shoreward portion of the southern end of Terminal Four after piles and fallen decking have been removed; and restoring native oyster habitat within the northern and central shoreline presently within the Terminal Four footprint and under the decking. Regardless of whether either or both of those ideas are implemented in the future, the 30% design recommended that the Conservancy seriously consider the concept of adding some form of hard substrate to the outer edge of the southern end of the Terminal Four Wharf site. This would form a protective shoal along that outer southern edge to protect against boat wakes and wave scour of the eelgrass supporting sediment in the southern cove.

Following the completion of this planning, design and environmental documentation phase, if CEQA review is subsequently completed and if funding for the implementation is located and approved, the anticipated outcomes of the implementation project are expected to be: 1) improved habitat conditions through removal of the derelict warehouse, creosote-treated decking and pilings, and concrete pilings; 2) improved spawning habitat for Pacific herring through

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increasing the availability of native eelgrass, oyster, and other subtidal habitats; and 3) increased knowledge and experience which can be shared and used to inform future planning, management, and permit procedures for creosote piling removal and subtidal habitat restoration projects bay-wide.

The Terminal Four site is owned by the Port of Richmond, a department of the City of Richmond (the City). The site is located on the western shore of Richmond, California, about 2.5 miles northwest of the eastern end of the Richmond-San Rafael Bridge, and just south of the tip of Point San Pablo (Exhibit 1). The Richmond Red Rock Warehouse site is located around the point from Terminal Four, on the northeastern shore of the peninsula (Exhibits 2 and 3).

The City has been planning the removal of the creosote-treated piles and deteriorated decking at the Terminal Four site for a number of years. A Letter of Concurrence was received from National Oceanic and Atmospheric Administration (NOAA) Fisheries in 2010 for the Project which includes permit conditions for protecting individuals and habitats of aquatic species of concern and under the jurisdiction of NOAA Fisheries.

One source of the funds for this project is BCDC, which has agreed to provide mitigation funds to the Conservancy that, in 2004, BCDC received from Caltrans as a condition of a BCDC permit for work on the Richmond-San Rafael Bridge. The Conservancy proposed to use these funds, with input from the City, BCDC, and NOAA, to plan and design the removal of the warehouse, decking, and creosote-treated and concrete pilings and restoration of habitat at the Terminal Four site. The other funding source is a grant provided by the Pacific States Marine PSFMC to the Conservancy in early 2017 for the planning, permit applications, and environmental compliance documentation for the Project. See “Project Financing” section for additional information.

**Site Description:** The Richmond Terminal Four Wharf Removal site is near the northwestern tip of Point San Pablo and extends along a rubble-armored shoreline at the north and central portions of the pier and in front of a small cove at the southern end of the pier. Based on a review of historic bay charts, the Terminal Four structures were built sometime between 1850 and 1915. However, other sources list them as being built in the 1930’s and being initially used for handling and processing fish. The site was used primarily over the years for storage, distribution and processing of vegetable and animal oils, petroleum fuels and additives, and other chemicals. Storage tanks on the shore were used to supply ships docked at the wharf. Two companies, Vopak and United Molasses, each leased portions of the property from the City. Photos from 1938 (Exhibit 3) shows ships secured to the south end of the wharf.

Exhibits 2 and 3 shows the key site features of the Terminal Four Wharf Removal site which include:

- A northern area with about 10,000 square feet of solid decking and 2,500 square feet of deteriorated decking,
- An area of decking upgraded in the last 30 years (just north of the warehouse) totaling about 15,000 square feet,
- A deteriorated wooden warehouse located over the water with a footprint of about 19,000 square feet , and,
- A southern area with about 19,000 square feet of decking in 3 linear locations.

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According to a survey conducted by the San Francisco Estuary Institute (SFEI) in 2009 of the entire San Francisco Bay region (Subtidal Goals 2010), there were approximately 2,500 pilings at the Terminal 4 Wharf site. More recent work by Merkel & Associates (2014), conducted largely by interferometric sidescan sonar, resulted in slightly lower estimates of piles ranging from 2,127 to 2,347 total piles within the structure. However, since the collapsed beams and decking material can block sidescan sonar, there remains substantial uncertainty regarding the piling count, which will be taken into consideration during design.

Three types of pilings are primarily present at the site: creosote-treated woodpiles, creosote-treated woodpiles later encased in concrete and precast concrete piles. There are also a small number of steel-encased pilings as well as rubber fenders on the side of the wharf facing the bay. Merkel & Associates estimated that up to 90% of the piles at Terminal Four are either wood encased in concrete or made of solid concrete. The concrete encasement design suggests these piles were wrapped at the time of initial construction rather than a later repair retrofit. The majority of the unwrapped wooden piles on the structure are either fender piles along the western margin of the wharf, or batter piles within the framework of the pier itself.

**Project History:** The proposed project is the result of numerous planning efforts in the Bay over the last two decades to address the growing recognition that creosote, a by-product of the coal and coke industry used to protect marine structures from decay, is toxic to fish and other marine organisms. Resource managers have been particularly concerned about the potential to the herring fishery in the Bay since herring lay eggs on pilings and creosote can cause impacts such as mutations in developing herring eggs.

In 2010, the Conservancy participated in the Subtidal Habitat Goals Project for San Francisco Bay. The Subtidal Goals Project was a collaboration between the Conservancy, BCDC, the National Oceanic and Atmospheric Administration (NOAA), and the San Francisco Estuary Partnership (SFEP). The Subtidal Habitat Goals Project culminated in the 2010 *San Francisco Subtidal Habitat Goals Report (Subtidal Goals Report)*, a 50-year conservation plan for how to move forward with science-based research, protection, and restoration of subtidal habitats in the San Francisco Bay. The *Subtidal Goals Report* included a study titled “Removal of Creosote-Treated Pilings and Structures from San Francisco Bay”. This study described the negative impacts of creosote-treated pilings on the marine environment, mapped a total of 33,000 derelict pilings and their locations around San Francisco Bay, and described methods for removal of these pilings. However, the study noted that abandoned pilings also provide benefits that need to be taken into account when considering removal actions. Old pilings may have historical significance. They also can serve as perches for sea birds, enhance sediment accumulation behind pilings, and increase protection from wave action, thus enhancing conditions to support for eelgrass habitat.

In 2013, the Conservancy retained AECOM to design a related, but separate, creosote-treated piling removal project at the Red Rocks Warehouse, a site adjacent to Terminal Four: the San Francisco Bay Creosote Piling Removal and Pacific Herring Habitat Restoration Project (Bay Project), with funding by the National Fish and Wildlife Foundation (NFWF). The demolition phase of the Bay Project at Red Rocks Warehouse was recently completed.

The scope of work for the Bay Project included analyzing and screening the many abandoned piling sites in San Francisco Bay for removal and site restoration based on multiple criteria, including the primary goal of improving habitat for the Pacific herring. The Terminal Four site was assessed as part of this prior effort and found to be a high priority for creosote piling

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removal. Subsequently the Conservancy utilized AECOM to develop 30% design plans for the Terminal Four site, under the Executive Officer's delegated authority.

The Red Rocks piling removal project and the proposed Project are both part of a continuing effort by the Conservancy to promote long-term management and restoration of subtidal habitat in the San Francisco Bay. The piling removal projects complement the Subtidal Habitat Goals Project, which recommended using a pilot project approach to remove artificial structures and creosote pilings at targeted sites in combination with restoration of natural habitats that provide environmental benefits with reduced engineering of hard structures (a "living shoreline").

### **PROJECT FINANCING**

Pacific States Marine Fisheries Commission	\$276,000
BCDC	\$224,000
<b>Project Total</b>	<b>\$500,000</b>

One anticipated source of Conservancy funds for the proposed project is a grant to the Conservancy from PSFMC, a congressionally authorized "interstate compact agency" among 5 western states. The PSFMC funds are derived from funds provided to it by another federal agency, NOAA. In turn, NOAA received the funds from Caltrans as mitigation required for work associated with the new Bay Bridge construction. PSFMC is providing these funds to the Conservancy specifically for the proposed project.

The remaining funds are from BCDC. The funds were paid to BCDC by Caltrans, in compliance with a BCDC permit, to mitigate impacts of Caltrans's work on the Richmond-San Rafael Bridge. BCDC has approved use of these mitigation funds for the planning, permitting and environmental analysis phase of the Project.

Under the terms of the respective grants, the Conservancy may use an additional \$20,000 from the PSFMC grant and up to 10% of the BCDC funding to reimburse the Conservancy for its staff time in undertaking the planning, design, permitting, and environmental compliance activities. Once these first phase activities are completed, Conservancy staff anticipates returning to the Conservancy for future authorization request(s) to expend additional outside funding for the next phase of the Project.

### **CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:**

The proposed project is consistent with the requirements to Chapter 4.5, Sections 31160-31165, of Division 21 of the Public Resources Code regarding resource goals in the San Francisco Bay Area.

Under Section 31162(b), the Conservancy may undertake projects and award grants in the nine-county San Francisco Bay Area to achieve the goal of protecting, restoring and enhancing natural habitats of regional importance. Consistent with this section, the proposed project consists of

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work that will result in the plans and environmental analysis necessary to implementation of a project that will protect, restore and enhance subtidal habitats in an estuary of regional importance within the Bay Area.

Under Section 31163(a), the Conservancy is required to cooperate with the Bay Conservation and Development Commission (BCDC), other regional government bodies, and other interested parties in identifying and adopting long-term resource goals for San Francisco Bay area. This project is part of a program of activities that came about from the collaborative planning of four primary agencies that developed the San Francisco Bay Subtidal Habitat Goals: the Conservancy, BCDC, NOAA, and SFEP.

The proposed project is appropriate for prioritization under the selection criteria set forth in Section 31163(c) in that: (1) it is consistent with the San Francisco Bay Plan (“Bay Plan”), as described below; (2) it involves the coordination of environmental solutions across several different agencies and many different jurisdictions within the San Francisco Bay Area; (3) it will be implemented in a timely manner; (4) the availability of PSFMC grant funds to restore subtidal habitat provides an opportunity for restoration activities that could be lost if the Project is not quickly implemented; and (5) includes matching funds.

In addition, under Section 31165, the Conservancy may undertake projects and award grants for activities that are compatible with the preservation, restoration, or enhancement of ocean, coastal and bay resources. Undertaking the proposed project is consistent with and helps to achieve these goals by providing design, planning, and restoration project implementation for habitat protection, restoration and enhancement projects involving subtidal habitats in the Bay.

### **CONSISTENCY WITH CONSERVANCY’S 2013-2018 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S), AS REVISED JUNE 25, 2015:**

Consistent with **Goal 11, Objective C**, the project will develop plans for enhancement of tidal wetlands and subtidal habitat.

Consistent with **Goal 11, Objective D**, the project will enhance tidal wetlands and subtidal habitat.

Consistent with **Goal 15, Objective A**, the proposed authorization serves to adapt the organizational structure to align staff resources in that the project will be carried out with a PSFMC grant and with BCDC funding that allow for reimbursement of Conservancy staffing costs, and the project will include significant technical input by Conservancy project managers.

### **CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on October 2, 2014, in the following respects:

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### **Required Criteria**

1. **Promotion of the Conservancy’s statutory programs and purposes:** See the “Consistency with Conservancy’s Enabling Legislation” section above.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section above.
3. **Promotion and implementation of state plans and policies:** The proposed project will promote and implement the following state plans and policies:
  - a. *San Francisco Bay Subtidal Habitat Goals Report* (2010, jointly authored by the State Coastal Conservancy, California Ocean Protection Council, NOAA NMFS and Restoration Center, San Francisco Bay Conservation and Development Commission, and San Francisco Estuary Partnership), which is a 50-year Conservation Plan for submerged habitats in San Francisco Bay and which recommends the removal of derelict piling structures in San Francisco Bay.
4. **Support of the public:** The Project is supported by NOAA, BCDC, and the City of Richmond. The Project also has broad public support from non-governmental organizations such as Baykeeper and others.
5. **Location:** The Project is located in Richmond, Contra Costa County within the San Francisco Bay Area, and will be carried out within known creosote hotspot locations and within Pacific herring spawning areas within the central portion of the Bay, consistent with Section 31162 of the Public Resources Code.
6. **Need:** The proposed project would not occur without Conservancy participation and Pacific States Marine Fisheries Commission and BCDC funding.
7. **Greater-than-local interest:** In creating the San Francisco Bay Area Conservancy Program, the legislature identified San Francisco Bay as the central feature in an interconnected open-space system of watersheds, natural habitats, scenic areas, agricultural lands and regional trails of statewide importance. This project will help develop new approaches to removing creosote pilings from the Bay system and new techniques for restoration of subtidal habitats in San Francisco Bay. The techniques and designs resulting from the Project may have applicability at other sites in San Francisco Bay and in other estuarine systems on the Pacific Coast.
8. **Sea level rise vulnerability:** This project helps to improve resiliency of natural habitats, which is one of the overarching recommendations in climate change adaptation planning. The Project itself involves the removal of vulnerable structures and will not result in increased vulnerability to sea level rise.

### **Additional Criteria**

9. **Urgency:** Without Conservancy involvement, and PSFMC and BCDC funding, the project would not occur at this time in San Francisco Bay.
10. **Resolution of more than one issue:** The Project will remove toxic pollutants from the Bay ecosystem, remove navigational hazards, implement subtidal habitat restoration designs, and will result in lessons learned that can be applied to additional sites.

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- 11. Leverage:** The PSFMC and BCDC grants will cover Conservancy staff time, maximizing leverage of staff resources with minimal Conservancy fiscal outlay. Furthermore, since no Conservancy funds are proposed in this authorization, which leverages funds provided by the Conservancy for earlier planning stages.
- 13. Innovation:** The Project will implement recommendations in the San Francisco Bay Subtidal Habitat Goals Report and continue to build on new, innovative techniques used on earlier creosote piling removal and subtidal habitat restoration projects within San Francisco Bay.
- 14. Readiness:** The proposed project is ready to commence upon approval of disbursement of funding by the Conservancy.
- 15. Realization of prior Conservancy goals:** See “Project History” section above.
- 16. Cooperation:** The Project is a collaborative project involving many agencies. The Conservancy is the lead agency, and supporting partners include PSFMC, NOAA, City of Richmond, Department of Fish and Wildlife, BCDC, San Francisco BayKeeper, and many others.
- 17. Minimization of Greenhouse Gas Emissions:** The proposed project will consider measures during the planning process and in the environmental analysis to minimize emissions throughout implementation of the Project. These measures will be considered and applied as possible: a) work to be undertaken by local staff, contractors and grantees; b) use of recommended regional construction best management practices; and c) use of materials and equipment for the Project that are purchased from local vendors, where feasible.

### **CONSISTENCY WITH SAN FRANCISCO BAY PLAN:**

The San Francisco Bay Plan (“Bay Plan”) was completed and adopted by BCDC in 1968 pursuant to the McAteer-Petris Act of 1965 and last amended in October 2011. The Bay Plan guides BCDC’s management and permitting decisions in the Bay. The Project is consistent with the following policies articulated in Part III, Findings and Policy Section of the Bay Plan:

Subtidal Areas Policy 5 (adopted April 2002): “The [BCDC] should continue to support and encourage expansion of scientific information on the Bay’s subtidal areas, including: (a) inventory and description of the Bay’s subtidal areas; (b) the relationship between the Bay’s physical regime and biological populations; ... (e) where and how restoration should occur.”

The proposed pilot Project will assist in implementation of this policy by providing additional data on best techniques for restoration at a specific site, describe the densities, locations, and species associated with subtidal habitats at that site, and conduct five years of monitoring on herring presence before and after construction.

Fish, Other Aquatic Organisms and Wildlife Policy 1 (amended April 2002): “To assure the benefits of fish, other aquatic organisms and wildlife for future generations, to the greatest extent feasible, the Bay’s tidal marshes, tidal flats, and subtidal habitat should be conserved, restored and increased.”

The Project is consistent with this policy because it will restore and increase subtidal habitat in San Francisco Bay.



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### **COMPLIANCE WITH CEQA:**

This authorization involves only data collection, research, and resource evaluation activities and planning, design, and environmental compliance documentation. Under Section 15262 of the California Environmental Quality Act (CEQA) Guidelines (Cal. Code Regs, Title 14, §§ 15000 et seq.) a project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded is statutorily exempt from review under CEQA, provided that, as here, it includes consideration of environmental factors.

Likewise, under CEQA Guidelines Section 15306, the proposed authorization is categorically exempt from CEQA review, since it consists of basic data collection, research and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource.

Unless and until the Conservancy does the initial research, planning, and environmental assessment for the Project, review under CEQA for the future implementation of a pilot project of uncertain nature, methodology, location and scope would be both uninformative and futile. Prior to any commitment of funding to undertake the implementation phase of the Project, Conservancy staff will return to the Conservancy for approval of Project implementation and for associated and appropriate CEQA review.

Upon Conservancy approval of the Project, staff will file a Notice of Exemption.