

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

50 California Street • Suite 2600 • San Francisco, California 94111 • (415) 352-3600 • FAX: (415) 352-3606 • <http://www.bcdc.ca.gov>

November 18, 2011

TO: Commissioners and Alternates

FROM: Will Travis, Executive Director (415/352-3653 travis@bcdc.ca.gov)
Linda Scourtis, Coastal Planner (415/352-3644 lindas@bcdc.ca.gov)

SUBJECT: Staff Recommendation on Proposed Bay Plan Amendment No. 2-11 to Delete the Port Priority Use Area Designation at the Hunters Point Naval Shipyard in San Francisco
(For Commission vote on December 1, 2011)

Staff Recommendation

The staff recommends that the Commission amend the *San Francisco Bay Area Seaport Plan* and *San Francisco Bay Plan* as follows:

1. Delete the port priority use area and marine terminal designations from the Hunters Point Naval Shipyard;
2. Revise Commission Resolution 16 to delete the Hunters Point Naval Reservation (Port); and
3. Find that the amendment will not directly cause any substantial adverse impacts to the environment.

Staff Report

Proposed Amendment. The Redevelopment Agency of the City and County of San Francisco ("SFRA") applied to the Commission to amend the *San Francisco Bay Plan* ("Bay Plan") and the *San Francisco Bay Area Seaport Plan* ("Seaport Plan") to delete the port priority use area designation from the Hunters Point Shipyard ("Shipyard"), and make conforming changes to the Bay Plan and the Seaport Plan maps, map notes, policies and tables.

The proposed amendment would facilitate the Candlestick Point-Hunters Point Shipyard Phase II Development Project at the Shipyard. The SFRA requested removal of the designation because: (1) the project's planned and City-approved uses, including either of the two variants, within the area designated for port priority use, are not consistent with the port designation; and (2) there is no longer any need to reserve this site for port priority use. The uses approved in the proposed redevelopment project, include but are not limited to a waterfront promenade, multi-use lawns, waterfront recreation areas, and a shoreline ecology park comprised of native grasslands, freshwater wetlands, shoreline mudflats and tidal wetlands.

The area is described in the Seaport Plan as the location of a future two-berth break bulk terminal with an assigned 2020 cargo throughput capability of 250,000 metric tons. The Seaport Plan states that BCDC and MTC should consider amending the Seaport Plan when a property owner, local government, or government agency requests an amendment to the Plan. The portions of the Shipyard that are the subject of this amendment proposal are currently owned by the federal government, and pursuant to a 2004 Conveyance Agreement, will be transferred to SFRA.



Making San Francisco Bay Better

FIGURE 1
Proposed Change to the
Hunters Point Port Priority Use Area

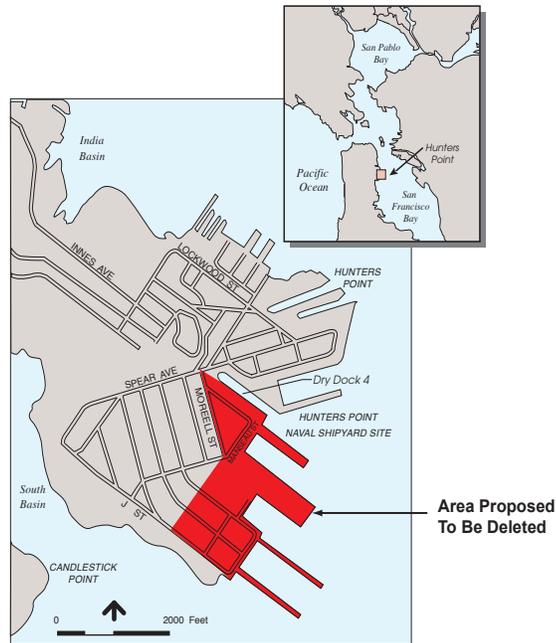


Figure 11: Hunters Point Port Priority Use Area

Staff Analysis

The Seaport Plan designates port priority use areas at the five Bay Area ports and other sites that have the potential to be developed for port purposes. Within the port priority use areas, marine terminals are designated for receiving and shipping either containerized or bulk cargo. The amount of land designated in the Seaport Plan for marine terminal use is based on a forecast of the ocean-going cargo demand expected in the Bay Area through the year 2020 in combination with the expected capacity of designated terminals to handle the projected cargo.

Break Bulk Cargo Forecast and Actual Demand. The Seaport Plan states, in part, that “deletion of port priority use...designations [from the Seaport Plan] should not occur unless...the deletion does not detract from the regional capability to meet the projected growth in cargo.”

Annual cargo monitoring conducted since the mid-1990s has shown that break bulk cargo volume has fallen well below the levels projected. Since 1994, the amount of break bulk cargo (not including steel) handled at Bay Area ports has been consistently below 100,000 metric tons per year, generally falling below 50,000 metric tons.

Recently updated break bulk projections (see table below) lower the annual 2020 projection from nearly 473,000 metric tons to 91,747 metric tons. Commodities formerly transported as break bulk cargo have shifted into containers, to the point where the only break bulk cargo (as defined in the bulk cargo forecast update) remaining in the Bay Area are imports of steel and minor amounts of miscellaneous break bulk. When steel is included, 2010 saw a volume of 21,286 metric tons at Bay Area ports. The 2002 Seaport Plan bulk forecast is compared to the 2011 updated projections in the table above. Note the dramatic drop in the break bulk projection.

CARGO TYPE	2020 SEAPORT PLAN FORECAST IN METRIC TONS (2002)	UPDATED PROJECTIONS FOR 2020 IN METRIC TONS (2011)
Break bulk (including steel)	448,000	91,747
Neo-bulk	497,000	574,082
Dry bulk	6,821,390	6,124,239
Liquid bulk	492,700	895,516

Break Bulk Cargo Capacity. Seaport Plan, Hunters Point policy 2 states, in part, “[that Hunters Point]...should remain designated for port priority use and future development of two break bulk berths” (yielding a total 250,000 metric tons handling capability). Determining whether sufficient break bulk cargo capacity will remain without a future terminal at Hunters Point requires an evaluation of the remaining regional break bulk capacity that will be available to meet the projected demand.

As shown above, the revised annual break bulk cargo volume, including steel, is projected to reach 91,747 metric tons in 2020. The table below lists the sites designated in the Seaport Plan for break bulk cargo and their expected capacity in 2020.

It should be noted that the pier identified for future break bulk use in San Francisco by the Seaport Plan, Pier 50, is used by the Port as its maintenance facility and does not handle cargo; however, break bulk cargo has continuously been processed at Pier 80, an inactive container facility, where miscellaneous cargo arrives with larger volumes of steel (and, formerly, newsprint and lumber). Some break bulk cargo previously was handled at other port locations, including Oakland, where it arrived as miscellaneous cargo in the holds of container ships. This alternate capacity remains available for potential shipments of break bulk commodities, augmenting the designated capacity listed in the table below.

LOCATION	2020 BREAK BULK CARGO CAPACITY IN METRIC TONS	
	Seaport Plan 2020 capacity	Break bulk capacity with proposed deletion
Redwood City	51,200	51,200
San Francisco	312,000	312,000
Hunters Point	250,000	0
Total capacity	613,200	363,000
Surplus capacity	165,200	271,453

Conclusions. Removal of the designation will not affect the goals of the McAteer-Petris Act, the Bay Plan or the Seaport Plan of reserving adequate and suitable areas for maritime port use. The Seaport Plan designated the Shipyard as one of three areas to process break bulk cargo, which has a revised projection of 91,747 metric tons by 2020 and 109,041 tons (including steel) expected in 2030.¹ The projected 2030 capacity is more than twice the expected cargo volume.

¹ The Tioga Group, Inc. September 2011.

The staff believes that the proposed deletion will not detract from the capability of the Bay Area to handle growth in break bulk cargo. Removal of the future throughput capability called for in the Shipyard designation would leave more than 363,200 metric tons of throughput capability designated in the region, which exceeds the actual volume of break bulk cargo and the volume expected based on industry trends. Therefore, the actual and future volumes could easily be handled by the remaining designated facilities, precluding the need for Bay fill to create new break bulk terminals.

Consistency with McAteer-Petris Act

The staff believes the proposed amendment is consistent with Section 66602 of the McAteer-Petris Act because adequate and suitable locations will remain at Bay Area ports to handle the future volume of break bulk cargo. Nor will the amendment lead to filling the Bay to provide additional terminal facilities, consistent with Section 66605(a).

Additionally, the staff has concluded, based on the environmental assessment prepared for the proposed amendment, that:

1. The proposed amendment will not directly cause any substantial adverse impacts on the environment; and
2. The overall Candlestick Point-Hunters Point Shipyard Phase II Development Project will have potentially significant adverse impacts, most of which may be mitigated to a less than significant level through measures that are within the control and jurisdiction of other agencies. The overall Development Project will have significant adverse environmental impacts related to traffic, air quality, noise, cultural resources and police services that cannot be reduced to a less than significant level; however, the benefits of the project and the Bay Plan map amendment would outweigh those impacts.

Final Staff Recommendation

The staff recommends that the Commission adopt Resolution No. 11-09, which would amend *San Francisco Bay Plan Map 5* by removing the port priority use area designation from Hunters Point in San Francisco, and make conforming changes to the *San Francisco Bay Area Seaport Plan* as detailed in Commission Resolution 11-13 attached, by:

1. Deleting the port priority use area and marine terminal designations from the Hunters Point Naval Shipyard;
2. Revising Commission Resolution 16 to amend Item No. 81, Hunters Point Naval Reservation (Port); and
3. Finding that the amendment will not directly cause any substantial adverse impacts to the environment.

Specific Changes to Bay Plan

Figure 1 on page 2 illustrates the proposed deletion in detail and Figure 2 below illustrates the change to Bay Plan Map 5 that would result from the proposed amendment. Additionally, the amendment would delete the Seaport Plan reference from Map 5 policy 22, as shown in strike-through text below:

Hunters Point - ~~See Seaport Plan~~. Develop shoreline park and integrate with Candlestick Point State Recreation Area, consistent with San Francisco redevelopment plan. Potential water trail camping site. Some fill may be needed.

Specific Changes to Resolution 16

The staff recommends the Commission revise Commission Resolution 16 to delete Item No. 81, Hunters Point Naval Reservation (Port) as shown below:

81. Hunters Point Naval Reservation (Port) (Amended by Bay Plan Amendments Nos. 2-95 and deleted by Bay Plan Amendment No. 2-11)

(A) Northern Boundary: Northwestern corner of the south edge of Dry Dock #4.

(B) Southern Boundary: J Street extended to the shoreline.

FIGURE 2
Proposed Change to the
Hunters Point Port Priority Use Area

Plan Map 5
Central Bay



Response to Comments

One member of the public spoke in favor of the proposed amendment during the November 3, 2011 public hearing: Ms. Linda Richardson. No written comments related to the amendment or to the environmental assessment were received prior to the hearing or by July 26, 2011.

1. Linda Richardson, former BCDC Commissioner (oral comment made at November 1, 2011 public hearing).

Comment: Urge the Commission to approve the proposed amendment.

Response: Comment noted.

SAN FRANCISCO BAY CONSERVATION AND DEVELOPMENT COMMISSION

50 California Street • Suite 2600 • San Francisco, California 94111 • (415) 352-3600 • Fax: (415) 352-3606 • www.bcdc.ca.gov

Resolution No. 11-13

Adoption of Bay Plan Amendment No. 2-11 Modifying the Bay Plan Hunters Point Port Priority Use Area Designation and related Seaport Plan Policies

Whereas, Government Code Section 66652 states that “the Commission at any time may amend, repeal and adopt a new form of, all or part of the San Francisco Bay Plan” and that “such changes shall be consistent with findings and declarations of policy” contained in the McAteer-Petris Act; and

Whereas, the Commission received and filed an application from the Redevelopment Agency of the City and County of San Francisco (“SFRA”) to modify *San Francisco Bay Plan* (“Bay Plan”) Map 5 to remove the port priority use area designation from Hunters Point Naval Shipyard (“Shipyard”) and related policies in the *San Francisco Bay Area Seaport Plan* (Seaport Plan); and

Whereas, the San Francisco Bay Conservation and Development Commission: (1) on July 7, 2011, approved a Descriptive Notice of the proposed Bay Plan Amendment and set a public hearing date for October 6, 2011; (2) on July 8, 2011, mailed the Descriptive Notice to all agencies, organizations and individuals interested in the proposed amendment; (3) on September 23, 2011, mailed a notice of revised public hearing date to all agencies, organizations and individuals interested in the proposed amendment; (4) on September 30, 2011, mailed by first class postal service the staff report, preliminary recommendation and environmental assessment to all agencies, organizations and individuals interested in the proposed amendment; (5) on November 3, 2011, held a public hearing to receive public comments on the proposed amendment, preliminary recommendation and environmental assessment and closed the public hearing at the conclusion of the public’s comments; (6) on November 18, 2011, mailed the final staff recommendation to all agencies, organizations and individuals who received the staff planning report and who are known to be interested in the proposed amendment; (7) on December 1, 2011, voted to adopt the staff’s final recommendation, all in accord with the requirements and procedures set out in Government Code Section 66652 and the California Code of Regulations, Sections 11100, 11001, 11002 and 11103; and

Whereas, no written comments were received on the staff preliminary recommendation or the environmental assessment; and

Whereas, the Commission has considered all oral comments presented at the November 3, 2011 public hearing and staff has responded to those comments; and

Whereas, the Bay Plan Amendment would remove the port priority use area designation at Hunters Point Shipyard in San Francisco;



Whereas, the amendment will facilitate the redevelopment of the former Hunters Point Shipyard site (“the redevelopment project”), which was the subject of the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report, State Clearinghouse No. 2007082168, certified pursuant to the California Environmental Quality Act (Public Resources Code sections 21000 et seq.) by the San Francisco Board of Supervisors on August 3, 2010 and the San Francisco Redevelopment Agency on June 3, 2010; and

Whereas, based on the information and analysis in the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report, the San Francisco Board of Supervisors, through Resolution Number 347-10 dated August 3, 2010, and the San Francisco Redevelopment Agency, through Resolution Number 58-2010 dated June 3, 2010, each found that that the redevelopment project will have certain significant and unavoidable impacts, identified feasible mitigation measures that would reduce other environmental impacts to less than significant levels, considered a reasonable range of alternatives to the project, and determined that there are no feasible alternatives to the redevelopment project that would meet the project’s objectives and substantially lessen or avoid its adverse environmental impacts; and

Whereas, the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report and the associated findings adopted by the San Francisco Board of Supervisors and the San Francisco Redevelopment Agency have been available for the Commissioners’ and public review via links in the Staff Report prepared for the Bay Plan Amendment; and

Whereas, the San Francisco Bay Conservation and Development Commission, pursuant to its authority under Public Resources Code section 21080.5 and California Code of Regulations, title 14 section 15251(h), has evaluated the environmental impacts of amending the *San Francisco Bay Plan* to remove the port priority use area designation from Hunters Point in San Francisco under the Commission’s functional equivalency regulations; and

Whereas, this evaluation considered the conclusions and analysis of the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report and the associated findings of the San Francisco Board of Supervisors and the San Francisco Redevelopment Agency, along with supplemental analyses focused on Bay Plan Amendment No. 2-11; and

Whereas, the San Francisco Bay Conservation and Development Commission finds that there will be no substantial adverse impacts on the environment brought about directly by the amendment; and

Whereas, the San Francisco Bay Conservation and Development Commission finds that the Bay Plan Amendment will have a variety of public benefits, including: the proposed project will develop the land to be removed from the port priority use area in part as dual-use playing fields and multi-use lawns and waterfront recreation areas that would also serve as parking for a new stadium, thus helping promote the development of the stadium while providing outdoor recreational opportunities most days of the year. Under the Non-Stadium Variant 1, part of the land subject to the amendment would be developed with research and development facilities, contributing to the Redevelopment Project’s creation of 10,000 permanent jobs and its annual generation of \$2 billion in revenue. Under the Non-Stadium Variant 2A, part of the site would be developed with 176 housing units, including affordable, moderate income, and market rate units. The proposed Bay Plan amendment would thus advance the City of San Francisco’s Redevelopment Project’s overall program of building 10,500 new housing units, approximately 32 percent of which will be offered at below market-rates in order to serve a range of household income levels; and

Whereas, the amendments of the *San Francisco Bay Plan* and *San Francisco Bay Area Seaport Plan* enacted by this resolution and attached hereto as Exhibits A and B, are intended to be a revision of the Commission's coastal management program for the San Francisco Bay segment of the California coastal zone as approved by the U.S. Department of Commerce under the federal Coastal Zone Management Act of 1972, as amended.

Now, Therefore, Be It Resolved That, the San Francisco Bay Conservation and Development Commission hereby adopts the following Bay Plan Amendment:

1. No. 2-11, Removing the port priority use area designation from the Hunters Point Shipyard in San Francisco.

Be It Further Resolved That, the above Bay Plan Amendment makes changes to the *San Francisco Bay Plan* Map 5 by removing the port priority use area designation, as shown on Exhibit A, and by removing the reference to the Seaport Plan in Map 5 policy 22, shown as struck-through text below:

1. ~~Hunters Point - See Seaport Plan.~~ Develop shoreline park and integrate with Candlestick Point State Recreation Area, consistent with San Francisco redevelopment plan. Potential water trail camping site. Some fill may be needed.

Be It Further Resolved That, the above Bay Plan Amendment makes conforming changes to the *San Francisco Bay Area Seaport Plan*, as shown on Exhibit B.

Be It Further Resolved That, the above Bay Plan Amendment amends Commission Resolution 16 by deleting Item No. 81, Hunters Point Naval Reservation (Port), as shown by the struck-through text and Exhibit C below:

81. **Hunters Point Naval Reservation (Port)** (Amended by Bay Plan Amendment No. 2-95 and deleted by Bay Plan Amendment No. 2-11)

~~(A) Northern Boundary: Northwestern corner of the south edge of Dry Dock #4.~~

~~(B) Southern Boundary: J Street extended to the shoreline.~~

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission finds that the amendment conforms to all the relevant policies of California Government Code Section 66600 through Section 66611; and

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission concurs in the findings of the San Francisco Board of Supervisors, through Resolution Number 347-10 dated August 3, 2010, and the San Francisco Redevelopment Agency, through Resolution Number 58-2010 dated June 3, 2010, which found that that the redevelopment project will have certain significant and unavoidable impacts, identified feasible mitigation measures that would reduce other environmental impacts to less than significant levels, considered a reasonable range of alternatives to the project, and determined that there are no feasible alternatives to the redevelopment project that would meet the project's objectives and substantially lessen or avoid its adverse environmental impacts; and

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission hereby determines that although the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report determined that the redevelopment project would have certain significant unavoidable adverse environmental impacts, the benefits of the Bay Plan Amendment and the redevelopment project as a whole outweigh those impacts; and

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission hereby determines that the Candlestick Point – Hunters Point Shipyard Phase II Final Environmental Impact Report identifies changes or alterations in the redevelopment project that would avoid or substantially lessen the project’s significant environmental impacts; such changes or alterations are within the responsibility and jurisdiction of other public agencies and not the San Francisco Bay Conservation and Development Commission; these agencies have adopted the changes or alterations; and

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission hereby determines that there are no feasible alternatives to the redevelopment project that would meet the project’s objectives and substantially lessen or avoid its adverse environmental impacts; and

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission hereby determines that the environmental impact of amending the San Francisco Bay Plan by modifying Map 5 to reflect the deletion of the port priority use area designation from Hunters Point Shipyard in San Francisco and the corresponding changes to the Seaport Plan, under the Commission’s functional equivalency regulations authorized by Public Resources Code Section 21080.5 and California Code of Regulations, title 14 section 15251(h), will have no direct substantial adverse impacts on the environment.

Be It Further Resolved That, the San Francisco Bay Conservation and Development Commission authorizes the Executive Director to make minor, non-substantive editorial changes to this Resolution, in particular to comply with the determinations of the Office of Administrative Law in its review of the Resolution under the California Administrative Procedures Act.

Exhibit A
 Change to the Hunters Point
 Port Priority Use Area

Plan Map 5
 Central Bay



Exhibit B: Changes to San Francisco Bay Area Seaport Plan

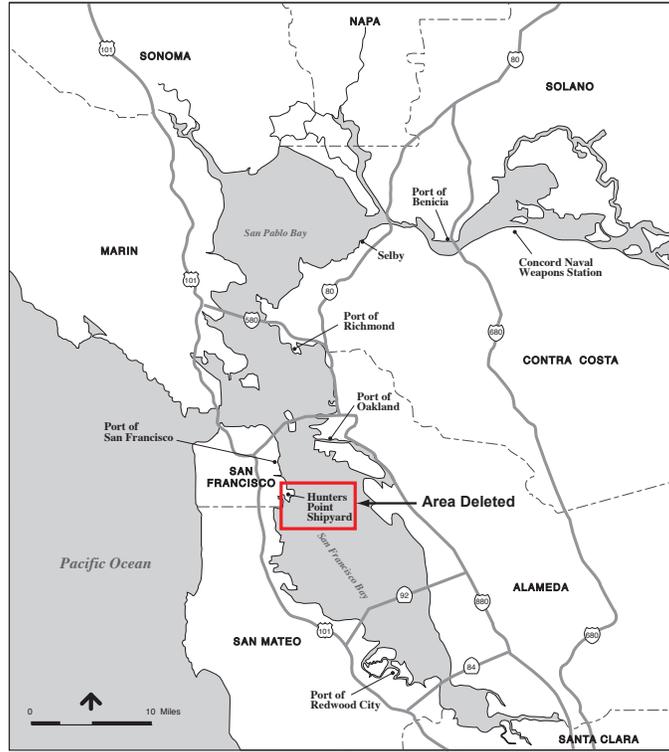


Exhibit B: San Francisco Bay Area Ports and Port Priority Use Areas

Designations

HUNTERS POINT NAVAL SHIPYARD

Hunters Point encompasses approximately 500 acres on a peninsula in the southeast portion of San Francisco. During World War II, Hunters Point was an annex to the Navy Yard at Mare Island, with four dry docks and three submarine dry docks to build and service naval vessels. The Shipyard was closed, and a reuse plan is being prepared under the Base Closure and Realignment Act.

Findings

Ship repair, scrap metal processing and exporting, other recyclable materials processing and other bulk or neo-bulk cargoes can be located at the former Shipyard because of its industrial nature, open flat expanses, and existing deep water berths.

- Maritime industries and activities offer opportunities for industrial growth and would provide employment for the community.
- The area most likely for marine terminal development includes Dry Dock 4, South Pier, the regunning pier, and the waterfront area along the South Basin.

Policies

- By the year 2020, Hunters Point should have the throughput capabilities shown in Table 19.

Table 19: Hunters Point Future Possibilities

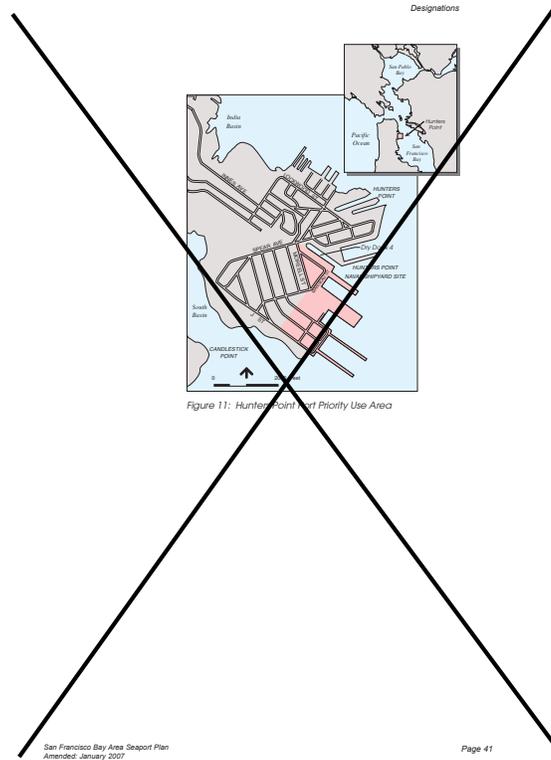
TERMINAL	DESIGNATION	TERMINAL ACRES	WATER DEPTH	EFFECTIVE NO. OF BERTHS	EXPECTED THROUGHPUT CAPABILITY*	TOTAL THROUGHPUT
Berths 1-2	Future	55	Break Bulk	2	125,000	250,000
Totals		55		2		250,000

* Denotes optimal annual throughput capability, in metric tons.

- A 55-acre area should remain designated for port priority use and future development of two break bulk berths. Figure 11 shows the port priority use area at Hunters Point.

Page 40 San Francisco Bay Area Seaport Plan
Amended January 2007

Exhibit B: Changes to San Francisco Bay Area Seaport Plan, cont'd.



	Container	Break Bulk	Neo-Bulk	Dry Bulk	Liquid Bulk	Total
Benicia	-	-	2.5	.5	-	3.0
Hunters Pt.	-	2.0	-	-	-	2.0
Oakland	19.0	0	-	2.0	-	21
Redwood City	-	0.4	0.6	2.4	1.6	5.0
Richmond	5.5	-	2.5	3.0	1.0	12.0
San Francisco	6.0	4.0	2.0	1.0	1.0	14.0
Selby	-	-	-	-	5.0	5.0
Total	30.5	6.4 <u>2.4</u>	7.6	8.9	8.6	62 <u>60</u>

Delete the priority use area boundary description for Hunters Point from page 51 of the Implementation section of the Seaport Plan:

~~**2. Hunters Point**~~

~~*North Boundary:* Northwestern corner of the south edge of Dry Dock Number 4.~~

~~*West Boundary:* Morrell Street to intersection with Manseau Street; hence southwesterly to J Street.~~

~~*South Boundary:* J Street extended to the shoreline.~~

Exhibit C RESOLUTION 16

Map 5 Central Bay

