

**Excerpts From The
SLO County Planning Commission Staff Report On
The Phillips 66 Rail Spur Project (Issued 1/25/16)**

Excerpts Taken From Exhibit C - "Findings for Denial"*

Prepared By: The Mesa Refinery Watch Group



**NOTE: The staff's statements are based on
Phillips 66's proposal being inconsistent and/or incompatible
with numerous elements of SLO County's General Plan, including:**

- a. Coastal Zone Framework for Planning**
- b. County's Conservation and Open Space Element**
- c. Coastal Plan Policies**
- d. Safety Element**
- e. Coastal Zone Land Use Ordinance**
- f. South County Area Plan**

Notes: The section heads and items in parentheses have been added for brevity and clarity. Due to the required repetition of similar items spread throughout the staff's report, items relating to the same issue have been united within the sections below. Interpretations of the staff's remarks have not been added. We have underlined certain items for emphasis. All text is as stated in their report.

*<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/5611/RXhoaWJpdCBDLnBkZg==/12/n/56198.doc>

I. Excerpts: Phillips 66's Objective

The objective of the Project is to increase the Applicant's ability to access more economically priced crude from a wider diversity of suppliers.

II. Excerpts: Overall Conclusion

There are insufficient, overriding economic, legal, social, technological, or other benefits of the project that outweigh the significant effects on the environment. Additionally, due to federal preemption, implementation of mitigation measures to lessen the Class I impacts on the Mainline within San Luis Obispo County and the state are infeasible, as argued by the Applicant.

III. Excerpts: Changes In Land Use; Reduction Of The Land Buffer

The Project would increase the intensity of rail activity and change the use of the site to allow for crude to be brought in via rail.

The refinery occupies only a portion of the total (land) area. The large vacant areas around the refinery provide a desirable buffer from adjacent uses and an area where wind-carried pollutants can be deposited onsite, thereby not affecting neighboring properties. This is particularly important to the agricultural uses in the vicinity of the project site.

The South County Coastal Area Plan specifically identifies the undeveloped areas of the project site as providing a buffer from the heavy industrial activities and more sensitive adjacent land uses. This important buffer is what allows these incompatible land uses - refinery and residential - to coexist as neighbors. However this project will greatly reduce this buffer.

The proposed rail spur project would modify an existing industrial property to allow the construction of the spur within (the) buffer area between neighboring residential and agricultural land uses. (It) would extend an approximate 200-foot wide swath of development and industrial use beyond the currently industrialized portion of SMR.

(It) would extend a total of approximately 1.3 miles - 6,915 feet. This would result in an extension of industrial uses approximately 0.85 mile into the undeveloped area.

(The) large onsite buffer between the residential neighborhoods and the facility would be reduced from approximately 1.4 miles to 0.6 mile.

The rail spur will be incompatible with the residential and agricultural resources that surround the spur and will bring additional toxic air contaminants and PM10 closer to the residential and agricultural land uses.

The proposed extension would not comply with the character of the immediate neighborhood and will be contrary to its orderly development.

The South County Coastal Area Plan does not envision expansion for purposes such as (this) Project. The buffer would be reduced and would therefore result in the Project being inconsistent with this policy.

IV. Excerpts: Air Quality Impacts - At The Refinery

Policy states the County will, “Ensure that land use decisions are equitable and protect all residents from the adverse health effects of air pollution.” (But) the Project would bring locomotives to the site for unloading of heavy crude. The diesel exhaust from these locomotives, upwind of many residences, would cause a significant impact to the air quality for these residences.

The Nipomo Mesa is (already) in a level of severity II for Ozone, level III for PM2.5, and level III for PM10. The particulate matter includes hazardous materials in the air that gets into the lungs and causes a variety of health effects. The PM2.5 tends to be a greater health risk because the particles are smaller and can travel deeper into the lungs.

The South County Area Plan requires that “any expansion or modification of existing petroleum processing facilities shall meet San Luis Obispo County Air Pollution District (SLOCAPCD) standards.”

The Project does not comply with this requirement as it exceeds the minimum threshold for cancer risk of 10 in a million. The proposed Project would result in a maximum exposed individual resident (MEIR) cancer risk of 26.5 in a million. This includes emission sources at the project site as well as the mainline emissions near the SMR. These significant air quality impacts would directly impact neighboring residences, employees, and populations in the vicinity of the Refinery.

Even with mitigation measures the Project would exceed the threshold of cancer-causing diesel particulate.

San Luis Obispo County is in non-attainment for ozone standards as well as the state particulate matter standards. The addition of these onsite PM10 emissions would further exacerbate the ability for the County to attain the state particulate matter standards.

The Project imposes health risks which would be inconsistent with the health and safety requirements of the General Plan with regard to air quality. This project would not ensure that all residents are protected from the adverse health effects of air pollution.

Therefore, the project is not compatible with neighboring residential or agricultural uses and would result in additional negative health impacts.

V. Excerpts: Air Quality Impacts - On The Mainline In SLO County

The locomotives would generate diesel particulate matter emissions along the mainline rail routes, which would increase PM10 emissions in the County.

The project would generate nitrogen oxide (NOx) and reactive organic gas (ROG) emissions along the mainline that would lead to ozone increases. (It) would generate diesel particulate emissions (DPM) along the mainline that would contribute to PM10 emissions within the County. Due to Federal preemption, the County may not be able to require emissions reduction credits for the mainline emissions.

The addition of these emissions along the mainline within the County would further exacerbate the ability for the County to attain the state particulate matter and ozone standards.

For the mainline emissions it is possible that contractually the Applicant could require the use of lower emission locomotives such as Tier 4 locomotives. However, since these are operated by UPRR on UPRR tracks, a requirement that the Applicant enter into this type of contractual provision would likely be preempted by Federal law and therefore unenforceable.

VI. Excerpts: Air Quality Impacts - On The Mainline Beyond SLO County

Operational activities of trains along the mainline outside San Luis Obispo County associated with the Project would generate criteria pollutant emissions that exceed thresholds of 15 air districts other than SLOCAPCD. For three of these districts, impacts cannot be mitigated to less than significant levels.

VII. Excerpts: The Impact Of Derailments Along The Mainline

This project will create a significantly hazardous and potentially dangerous situation within many areas along the mainline, not only in San Luis Obispo County, but to other jurisdictions along the main rail lines. Risk along the mainline was found to be significant in the event of a rail accident that occurred near populated areas.

There is the potential for fire and explosions, which could impact life, structures and the environment depending on the location of the accident.

It has been communicated to the County through numerous letters from outside jurisdictions, that many do not have the necessary personnel, equipment or training to provide appropriate emergency response to an oil train derailment or explosion.

The EIR identified mitigation measures to reduce the potential for release of crude oil in the event of an accident. However, the County is likely preempted from implementing conditions that could mitigate these impacts along the mainline rail route. Therefore the County can't ensure there will be adequate facilities, equipment and personnel available in the event of an accident. This is the case throughout the state as well as within San Luis Obispo County.

This project could have potential for catastrophic impacts in the event of a derailment or explosion. (It) would be in direct conflict with (the) General Plan policy as it relates to the health and safety of citizens around the mainline within San Luis Obispo County.

VIII. Excerpts: The Impact On Water Resources

The proposed rail spur project has the potential to result in oil spills and fires that could impact coastal streams and riparian areas along the mainline rail routes. An oil spill could result in significant impacts to coastal streams and riparian vegetation. The project is not consistent with Coastal Policy.

IX. Excerpts: The Impact On Agriculture And Open Space

(Policy) states that the County will “preserve open space, scenic natural beauty and natural resources.” (It states that agricultural land for the production of food, fiber and other agricultural commodities is to be protected. This includes the protection and support of the rural economy and locally based commercial agriculture.

The project has the potential to result in an increased risk of oil spills and fires that could impact natural resources, scenic areas, and agricultural land along the mainline rail routes. An oil spill could result in significant impacts to agricultural, biological, and water resources. The project would not be in compliance with the Land Use Element.

X. Excerpts: The Impact On Habitats

The (rail spur) area contains sensitive plant and animal species needing protection, including plants, sensitive communities, burrowing owls, and coast horn lizard.

The proposed uses - i.e., rail spur, unloading facility, pipelines, and emergency vehicle access road - would significantly disrupt the habitat because development would remove approximately 20 acres of area containing listed “rare” or “1B” species by the California Department of Fish and Wildlife and the California Native Plant Society. There does not appear to be an alternative design or Project configuration that would avoid disturbance and removal of this habitat.

Impacts as a result of a spill along the mainline would negatively impact nesting birds which is in conflict with this General Plan policy. This project would increase the risk of a spill or fire which would remove and damage nesting habitats.

This is in direct conflict with - ‘All development shall be designed and located in a manner which avoids any significant disruption or degradation of habitat values.’

XI. Excerpts: The Impact On Archaeological Resources:

Impacts to archaeological resources could occur as a result of an oil spill and associated clean up actions along the mainline rail routes. Impacts to archaeological resources could not be avoided if a spill were to occur within an area where these resources are located in proximity to the mainline rail within the County. The project is not in compliance with policy.