

CITY OF CARSON

PLANNING COMMISSION STAFF REPORT

PUBLIC HEARING: November 10, 2020

SUBJECT: Conditional Use Permit (CUP) No. 1089-18

APPLICANT: Air Products and Chemicals, Inc.

Attention: Seth Gottlund

4000 MacArthur Boulevard, Suite 420, East Tower

Newport Beach, CA 92660

PROPERTY OWNER: Tesoro Refining and Marketing Company, LLC

18199 Ridgewood Parkway San Antonio, TX 78259-1828

REQUEST: Consider certification of an Environmental Impact

Report and approval of Conditional Use Permit No. 1089-18 or a 0.5-mile hydrogen gas pipeline segment

PROPERTY INVOLVED: 23300 South Alameda Street

COMMISSION ACTION

| AYE | NO | | AYE | NO | |
|-----|----|----------------------|-----|----|---|
| | | Chairperson Pimentel | | | Palmer |
| | | Vice-Chair Madrigal | | | Rahman |
| | | Cainglet | | | Rashad |
| | | Fe'esago | | | Valdez |
| | | Mitoma | | | Alt. Diaz Alt. Hellerud Alt. Zuniga |

I. Introduction

Applicant
Air Products and Chemicals, Inc.
Attention: Seth Gottlund
4000 MacArthur Boulevard, Suite
420, East Tower
Newport Beach, CA 92660

Property Owner
Tesoro Refining and Marketing
Company, LLC
18199 Ridgewood Parkway
San Antonio, TX 78259-1828

II. Project Description

Air Products and Chemicals, Inc., represented by Seth Gottlund, requests approval of CUP No. 1089-18 and certification of an Environmental Impact Report to construct a 0.5-mile pipeline connecting an existing hydrogen production facility in the City of Carson to a refinery in the City of Paramount. The new pipeline segment would be connected to an existing 11.5-mile pipeline owned by the Paramount Pipeline Company to support renewable bio-fuel production. The Project will eliminate the need for five to seven daily tanker trucks that currently deliver hydrogen to the refinery in the City of Paramount.

Carson Municipal Code Section 9172.21 (Conditional Use Permit) requires Planning Commission review of projects subject to a Conditional Use Permit.

Founded in 1940, Air Products develops, engineers, builds, owns and operates some of the world's largest industrial gas projects. Focused on serving energy, environment and emerging markets, Air Products provides essential industrial gases, related equipment and applications expertise to customers in dozens of industries. Since inception, they have developed over 1,800 miles of gas pipeline and more than 750 production facilities in over 50 countries worldwide.

III.Project Site and Land Uses

The subject property is located in the MH (Manufacturing, Heavy) zone and is designated Heavy Industrial under the Land Use Element of the General Plan. The subject property is located north of Sepulveda Boulevard and east of Alameda Street.

Land uses surrounding the proposed project site are primarily heavy industrial uses. MH MH MH-D MH-D SEPULVEDA BLVD MH

Figure (a) Project Site in context to surrounding zoning.

The following table provides a summary of information regarding the project site:

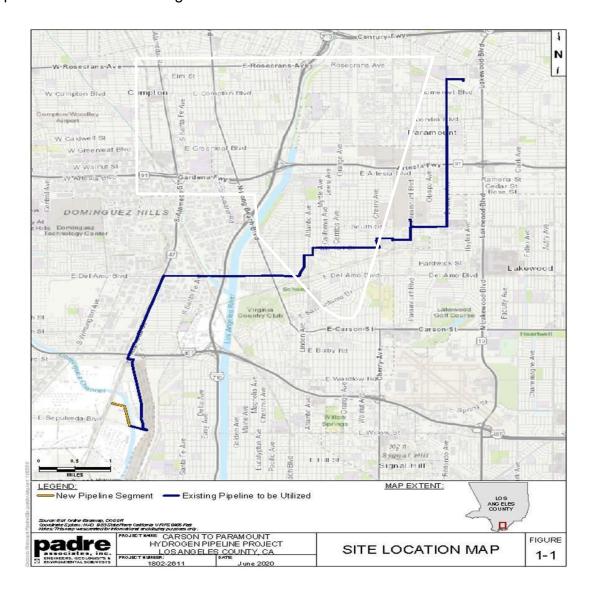
| Site Information | | | | |
|-----------------------------------|--|--|--|--|
| General Plan Land Use | Heavy Industrial | | | |
| Zone District | MH (Manufacturing, Heavy) | | | |
| Site Size | 365,604 square feet (8.4 acres) | | | |
| Present Use and Development | Hydrogen production facility | | | |
| Surrounding General Plan / Zoning | North: Heavy Industrial (HI) / Manufacturing Heavy (MH) South: Heavy Industrial (HI) / Manufacturing, Heavy - Design Review (MH-D) East: General Open Space / Open Space (OS) West: Heavy Industrial (HI) / Manufacturing Heavy (MH) | | | |
| Access | Ingress/Egress: Alameda Street | | | |

IV. Analysis

Site History

Land uses surrounding the subject property include refinery uses to the north, asphalt / rock crushing uses to the south, the Dominguez Channel and railroad uses to the east and railroad and refinery uses to the west. The pipeline proposal is considered a heavy industrial use and is consistent with the existing surrounding heavy industrial land uses. The City's General Plan allows this type of use in the Heavy Industrial (HI) land use designation.

The existing specialty gas facility began operations in 1968. A previous hydrogen facility existed at the site but was demolished. The primary activity at the existing facility is the blending, filling, storing and distributing of atmospheric and specialty gases. In 1997, a CUP was approved for the specialty gas facility and a new hydrogen facility. The hydrogen facility currently produces hydrogen in gas or liquid form and is used in petroleum refining processes at off-site petroleum facilities for the production of cleaner burning fuels. The Paramount Refinery has been in the process of converting operations from oil refining to renewable fuels since 2013.





Site Plan

The proposed 0.5-mile pipeline will initiate in the City of Carson and terminate in the City of Paramount. The new pipeline segment would connect to an existing 11.5-mile pipeline that traverses the cities of Los Angeles Long Beach, Lakewood, Bellflower, and areas within the County of Los Angeles. The applicant proposes to remove and replace existing manual valves and add an automatic shut-off valve (ASV) at one location along the pipeline route.

Construction activities within the City of Carson will take place in a highly industrialized area, on private land within or near the Air Products facility. The majority of the proposed 0.5-mile pipeline segment will border the western bank of the Dominguez Channel.

Access / Parking & Traffic

The new pipeline portion located on 23300 S. Alameda Street will have access from Alameda Street. The internal driveway will provide full access to the new pipeline segment and is designed to meet Fire Department requirements.

Portions of the pipeline construction would occur within the public right-of-way. Work Hours within City streets will be limited from 9:00 AM to 3:30 PM. Permits from the

agency with jurisdiction over the streets would be obtained. Traffic control will be provided in accordance with the California Manual on Uniform Traffic Control Devices. Emergency response providers around proposed construction sites will be given advanced notices of construction locations, road closures, and possible alternate routes. Schedules for necessary street parking closures will be published in advance of closure. Signage will be provided to direct traffic to detours.

Fencing

No fencing is proposed for the property.

Building and Architecture

No new buildings are proposed for the property.

Signage

No signage is proposed for the property.

Landscaping

The existing site includes landscaping within the front yard setback along Alameda Street. Per consultation with the City's Arborist, a condition of approval will require new 24-inch Brisbane Box trees, Strawberry trees, Chinese Pistachios planted along the front yard setback to enhance screening of the site. In addition, groundcover will include Ice plant, Bougainvillea, and Creeping Rosemary which will be dispersed throughout the front yard setback.

All new landscape exceeding 2,500 square feet and irrigation is required to comply with the State's Water Efficient Landscape Ordinance (WELO).

V. CFD/DIF Discussion

Based on the adopted CFD, the project is exempt and the adopted IDIF is not applicable to this project due to the scope of work not including the development of buildings or truck parking.

VI. Zoning and General Plan Consistency

The proposed project is consistent with the standards of the Manufacturing, Heavy (MH) zoning designation and Heavy Industrial land use designation and will remain consistent with the surrounding uses.

VII. Environmental Review

Pursuant to the California Environmental Quality Act (CEQA), a Draft EIR (DEIR) was prepared and made available for public review from September 3, 2020 to October 19, 2020. A Notice of Completion and Availability of a DEIR was posted with the City Clerk, LA County Clerk, Carson Library, on-site, and sent to responsible agencies. An electronic copy of the document was also posted on the Planning Division website:

(http://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx).

The City of Carson did not hold any public meetings on the DEIR due to the ongoing pandemic. Public agencies and members of the public were invited to provide written

comments on the DEIR and to participate in decision-making hearings. The public comments received on the DEIR were reviewed and responded to as required by CEQA and the CEQA Guidelines. The Final EIR has been prepared, incorporating all of the comments received, written responses to received comments, and the DEIR, along with any changes to the DEIR that result from the comments received.

Per the Final EIR, with the inclusion of the proposed mitigation measures, see Mitigation Monitoring and Reporting Program, adverse impacts are mitigated to the maximum extent feasible and below a level of significance, with the exception of Hazards and Hazardous Materials / Risk of Upset and the potential accidental release of materials into the environment (similar to existing pipeline conditions). These unavoidable impacts are addressed in a Statement of Overriding Considerations in accordance with Sections 15091 and 15093 of State CEQA Guidelines.

VIII. Public Notice

Notice of public hearing was published in the newspaper on October 22, 2020. Notices were mailed to property owners and occupants within a 750-foot radius and posted to the project site by October 22, 2020. The agenda was posted at City Hall no less than 72 hours prior to the Planning Commission meeting.

The applicant was unable to host a community meeting due to the COVID-19 health crisis. Alternatively, on October 7, 2020, the applicant mailed comment notices to properties within a 750-foot radius of the proposed project. The notices described the project, requested community feedback and shared a link to view the site plan and renderings on the City's website. To date, not comments on proposed project have been received by the City Planning Department.

IX. Recommendation

That the Planning Commission:

ADOPT Resolution No. 20-___, entitled "A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON CERTIFYING THE ENVIRONMENTAL IMPACT REPORT AND MITIGATION MONITORING AND REPORTING PROGRAM AND APPROVING CONDITIONAL USE PERMIT NO. 1089-18 FOR THE CONSTRUCTION OF A 0.5-MILE HYDROGEN GAS PIPELINE SEGMENT FOR AN EXISTING HYDROGEN PRODUCTION FACILITY AT 23300 SOUTH ALAMEDA STREET."

X. Exhibits

- 1. Draft Resolution
 - A. Legal Description
 - B. Conditions of Approval
- 2. Final Environmental Impact Report (http://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx)
- 3. Statement of Overriding Considerations
- 4. Development Plans

Prepared by: Max Castillo, Assistant Planner

CITY OF CARSON

PLANNING COMMISSION

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARSON CERTIFYING THE ENVIRONMENTAL IMPACT REPORT AND MITIGATION MONITORING AND REPORTING PROGRAM AND APPROVING CONDITIONAL USE PERMIT NO. 1089-18 FOR THE CONSTRUCTION OF 0.5 MILE HYDROGEN GAS PIPELINE SEGMENT FOR AN EXISTING HYDROGEN PRODUCTION FACILITY AT 23300 SOUTH ALAMEDA STREET.

WHEREAS, on December 18, 2018, the Department of Community Development received an application from the applicant, Seth Gottlund, on behalf of Air Products and Chemicals, Inc. for real property located at 23300 S. Alameda Street and legally described in Exhibit "A" attached hereto, requesting approval to install a new pipeline segment to connect to an existing 11.5-mile hydrogen pipeline network.

WHEREAS, on September 3, 2020, pursuant to the California Environmental Quality Act (CEQA), a Draft EIR (DEIR) was prepared and made available for public review from September 3, 2020 to October 19, 2020. A Notice of Completion and Availability of a DEIR was posted with the City Clerk, LA County Clerk, Carson Library, on-site, and sent to responsible agencies. An electronic copy of the document was also posted on the City's website: (http://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx).

WHEREAS, on October 7, 2020, as the applicant was unable to host a community meeting due to the COVID-19 health crisis, alternatively, the applicant mailed comment notices to properties within a 750-foot radius of the proposed project. The notices described the project, requested community feedback and shared a link to view the site plan and renderings on the City's website at (http://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx).

WHEREAS, on October 22, 2020, a Notice of Planning Commission public hearing was published in a newspaper of general circulation, and posted onsite and mailed to property owners and properties within a 750-foot radius of the project site.

WHEREAS, on November 5, 2020, the Final Environmental Impact Report (FEIR) and Mitigation Monitoring and Reporting Program (MMRP), incorporating comments received on the DEIR was published on the City's website.

WHEREAS, on November 10, 2020, the Planning Commission conducted a duly noticed public hearing, and considered the Environmental Impact Report (EIR), Mitigation Monitoring and Reporting Program (MMRP), staff report and conditions of approval as submitted.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF CARSON, CALIFORNIA, HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Planning Commission finds that the foregoing recitals are true and correct, and are incorporated herein by reference.

SECTION 2. The Planning Commission finds as follows with respect to Conditional Use Permit No. 1089-18 install a new 0.5-mile pipeline segment within the City of Carson to connect to an existing 11.5-mile hydrogen pipeline network:

- a) The proposed project is consistent with the General Plan of the City of Carson. The project site has a General Plan Land Use designation of Heavy Industrial and the proposed hydrogen pipeline segment is compatible with the surrounding areas.
- b) The project site is adequate in size, shape, topography, location, utilities, and other factors to accommodate the proposed use and development of a new 0.5-mile hydrogen pipeline segment.
- c) The proposed development will have adequate street access for pedestrian and vehicles, and also adequate capacity for parking and traffic. One existing driveway along Alameda Street will provide access to the site. Access to the site from freeways will require little to no driving on residential streets by utilizing Alameda Street, which is designated as a truck route. The project design will allow for and promote safe and convenient pedestrian and vehicle circulation.
- d) The County Fire Department has reviewed the proposed project and concludes that adequate water supply exists to meet current and anticipated fire suppression needs.
- e) The proposed 0.5-mile hydrogen pipeline segment will be compatible with the intended character of the area. The proposed use is compatible with the surrounding heavy industrial land uses surrounding the property. Land uses surrounding the subject property include refinery uses to the north, asphalt / rock crushing uses to the south, the Dominguez Channel and railroad uses to the east and railroad and refinery uses to the west. The majority of the pipeline will be located underground. On-site improvements will include upgrading of the front yard landscaping area with new trees and groundcover along Alameda Street.

SECTION 3. The Planning Commission further finds that:

- a) The EIR has been prepared in compliance with CEQA.
- b) Publication and public circulation of the EIR complied with the requirements of CEQA.
- c) Pursuant to Public Resource Code § 21082.1(c)(3), the Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program (MMRP) reflect the independent judgment and analysis of the City as lead agency. The EIR and MMRP were prepared by a consultant hired by the project applicant and were reviewed and analyzed independently by the City, including its Planning staff and the Planning Commission.
- d) Per Section 15074(b) of the CEQA Guidelines, on the basis of the whole record before it, including the comments received during the public review period (all of which have been addressed in the revised EIR), The Planning Commission finds that the proposed project, as mitigated pursuant to the FEIR and MMRP which and are incorporated into this Resolution by reference, that adverse impacts are mitigated to the maximum extent feasible and below a level of significance, with the exception of

Hazardous Materials / Risk of Upset and the potential accidental release of materials into the environment (similar to the existing pipeline conditions)

SECTION 4. The Planning Commission finds that adverse impacts generated by the Project will be mitigated to the extent feasible through the Mitigation Measures as contained in the EIR and MMRP. Irrespective of these measures, the Planning Commission finds that one impact cannot be feasibly mitigated to a level of insignificance, the Hazardous Materials / Risk of Upset and the potential accidental release of materials into the environment (similar to the existing pipeline conditions). This unavoidable impact is addressed below in a Statement of Overriding Consideration in accordance with Sections 15091 and 15093 of State CEQA Guidelines.

SECTION 5. The FEIR (State Clearinghouse No. SCH 2020059038) identifies an impact in Hazardous Materials and Risk of Upset as a significant environmental effect which is considered unavoidable. The identified significant and unavoidable impact is *HM-2*. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Several mitigation measures adopted as conditions of approval will serve to reduce these impacts, but even with the inclusion of these conditions, the impacts cannot be reduced to less than significant levels. The City of Carson Planning Commission therefore makes the following Statement of Overriding Considerations which warrants approval of the Air Products Hydrogen Pipeline Project notwithstanding that all identified effects on the environment are not fully mitigated.

With respect to the significant environmental effect of the project noted above, the City finds that the stated benefits of the proposed project outweigh the significant effects on the environment. Pursuant to Public Resources Code Section 21081(b) and CEQA Guidelines Sections 15043, 15092 and 15093, any remaining significant effects on the environment are acceptable due to these overriding considerations:

- a) Substantial mitigation has been provided to further reduce impacts. Impacts have been mitigated to the maximum extent feasible and the level of risk, while significant, has a low probability of occurrence and the analysis conducted is conservative to provide for the maximum level of scrutiny and disclosure. With regards to mitigation, the approach of the measures in the FEIR is to reduce the impacts, by reducing the size of a release, or reducing the frequency of a release. The mitigation measures require operations of the pipeline at a lower pressure in order to reduce the size of a potential release and decrease the potential for exposure. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reducing the frequency of a release through an enhanced monitoring and testing regimen. The proposed Project also includes measures for pipeline monitoring, leak detection, inspections, and cathodic protection systems to reduce corrosion, coatings and line markings to further reduce the risk of leaks.
- b) Improvement over ongoing hydrogen trucking and traffic reduction. The proposed pipeline Project would provide an improvement in risk levels over the alternative of the future trucking of hydrogen to the Paramount Refinery. As detailed in the Final EIR, use of the pipeline would result in a similar risk levels to the baseline. World Energy currently receives liquefied hydrogen at its Paramount Refinery by tanker truck from a third-party supplier located in Ontario, CA. Without

the proposed Project, the Paramount Refinery would continue to receive 5-7 tanker trucks trips per day of hydrogen, with associated hazards of hauling a flammable liquid on public roadways, as well as increased highway and local traffic and associated air quality emissions. The existing pipelines that are proposed under this Project to be repurposed for hydrogen, would be used for the transport of hydrogen and eliminate the potential risk impacts of the ongoing trucking of liquefied hydrogen from Ontario to Paramount.

- c) The Project would use local labor and improve a locally depressed labor market. The proposed Project would use local union labor, including ARB, Inc., to construct 0.5 miles of new pipeline within the City of Carson and connect this newly constructed segment with 11.5 miles of existing pipeline, expanding Air Products' existing hydrogen pipeline network, and enabling it to provide efficient, reliable means of hydrogen distribution from its existing hydrogen production facilities located in Wilmington and Carson to its customers. The Project would employ approximately 60 contractors for construction (local union workers when feasible), one new full-time job, and will increase City of Carson revenue (utility taxes, franchise fees, etc.) by approximately \$60,000 per year.
- d) The Project would support production of clean, renewable fuels. Air Products proposes to utilize this pipeline route to connect Air Products with a new customer in the City of Paramount, who uses hydrogen to produce renewable biofuels (biodiesel and biojet) for the transportation market. The Paramount Refinery produces renewable jet fuel and renewable diesel fuel from non-edible vegetable oil and highquality beef tallow. World Energy has been in partnership with Paramount Petroleum since 2013 when the Paramount Refinery began the process of converting portions of their oil refinery into renewable fuels production under the Renewable Fuels Project. World Energy's renewable products support California and Federal Low Carbon Fuel Standards. The goals of the standards are to reduce carbon intensity of transportation fuels, complement other state measures for reducing greenhouse gases, transform and diversify the transportation fuel pool, reduce petroleum dependency, and reduce overall air emissions. World Energy currently supplies renewable gasoline, diesel, and jet fuel to fleet services such as UPS, United Airlines, Boeing, the Department of Defense, and several California municipalities and school systems, reducing both truck and airline emissions. World Energy's renewable products meet regulatory and commercial specifications without requiring engine modifications.
- e) Supports California energy independence (economic considerations and region-wide or statewide environmental benefits). Production of crude oil has been substantially reduced in California over the past decades resulting in the need to import oil to produce fuels. The Paramount Refinery has been repurposed to allow for refining beef tallow into diesel and jet fuels that would be used in the area instead of oil produced elsewhere. The project will provide needed hydrogen to the Refinery and as such contribute to the production of clean fuels. These clean fuels would supplant the use of local crude oil production and/or will likely displace some imported foreign crude due to the demand for this commodity. Replacement of foreign crude with production of clean fuels would reduce GHG and criteria pollutant emissions from ocean tankers and other emissions generated during production of oil overseas.

In addition, as California works towards its renewable power and zero emission vehicle goals, there will remain a need for fossil fuel in both the transportation and power sectors. Currently, more than 70 percent of oil entering California to meet the State's needs is from out of the State and is delivered primarily by marine tanker. In 2019, over 58 percent of crude oil supplied to California refineries was shipped from foreign sources. The largest suppliers of foreign oil to California are Saudi Arabia, Ecuador, Colombia, and Iraq followed by smaller supplies from Brazil, Mexico, Africa and the Arabian Gulf. The Project will contribute to reducing importation of foreign crudes and supports the State's energy independence.

SECTION 6. Conditional Use Permit No. 1089-18 complies with the City's Zoning Ordinance and General Plan and is consistent with the intent of Article IX, Chapter 1, Section 9172.21 (Conditional Use Permit) of the Carson Municipal Code.

SECTION 7. Based on the aforementioned findings, including without limitation those set forth in Section 3, the Planning Commission certifies the FEIR and MMRP a. In the event of any inconsistencies between the mitigation measures as set forth in the FEIR and the MMRP, the MMRP shall control. A notice of determination shall be filed with the County Clerk of the County of Los Angeles pursuant to the California Environmental Quality Act.

SECTION 8. Based on the aforementioned findings, including without limitation those set forth in Section 2, the Planning Commission of the City of Carson does hereby approve Conditional Use Permit No. 1089-18, subject to the Conditions of Approval set forth in Exhibit "B" attached hereband incorporated herein by reference.

SECTION 9. This decision of the Planning Commission shall become effective and final 15 days after the date of the action unless an appeal is filed in accordance with Section 9173.4 of the Zoning Ordinance.

SECTION 10. The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

PASSED, APPROVED and **ADOPTED** this 10th day of November, 2020.

| ATTEST: | CHAIRPERSON |
|-----------|-------------|
| SECRETARY | |

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF LOT 1, TRACT NO. 10844, IN THE CITY OF CARSON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 301, PAGES 37 TO 39 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 1 WITH THE EASTERLY LINE OF ALAMEDA STREET AS SAID LINE EXISTS PARALLEL WITH AND 65 FEET EASTERLY, MEASURED AT RIGHT ANGLES, FROM THE CENTERLINE OF ALAMEDA STREET, THENCE ALONG SAID EASTERLY LINE SOUTH 17° 09' 45" WEST 666.40 FEET TO THE SOUTHWESTERLY LINE OF THE LAND DESCRIBED IN THE DEED TO TEXACO, INC. RECORDED IN BOOK D-6118, PAGE 298 OF OFFICIAL RECORDS, RECORDS OF SAID COUNTY, BEING THE TRUE POINT OF BEGINNING THENCE CONTINUING ALONG SAID EASTERLY LINE SOUTH 17° 09' 45" WEST 345.00 FEET, THENCE PARALLEL WITH SAID SOUTHWESTERLY LINE SOUTH 72° 50' 15" EAST 975.40 FEET TO A LINE PARALLEL WITH AND 73 FEET WESTERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHEASTERLY LINE OF SAID LOT 1, THENCE ALONG LAST SAID PARALLEL LINE NORTH 10° 40' 30" WEST 390.15 FEET TO SAID SOUTHWESTERLY LINE, THENCE ALONG SAID SOUTHWESTERLY LINE NORTH 72° 50' 15" WEST 793.21 FEET TO THE TRUE POINT OF BEGINNING.

APN: 7315-020-021 (PORTION)

CITY OF CARSON COMMUNITY DEVELOPMENT DEPARTMENT PLANNING DIVISION

EXHIBIT "B" CONDITIONS OF APPROVAL CONDITIONAL USE PERMIT NO. 1089-18

I. GENERAL CONDITIONS

- 1. Conditional Use Permit No. 1089-18 shall become null and void two years following the effective date of its approval unless a building permit has been issued or a time extension has been approved by the Planning Manager. A building permit issued in accordance with this condition shall be maintained in valid status in accordance with applicable laws and regulations until it is completed/finaled; failure to do so shall result in Conditional Use Permit No. 1089-18 becoming null and void upon expiration or invalidity of the building permit. This condition does not supersede an individual time limit for performance of specific conditions or improvements.
- 2. The approved Resolution, including the Conditions of Approval contained herein, and signed Affidavit of Acceptance, shall be copied in their entirety and placed directly onto a separate plan sheet behind the cover sheet of the development plans prior to Building and Safety plan check submittal. Said copies shall be included in all development plan submittals, including any revisions and the final working drawings.
- 3. Developer shall submit two revised sets of plans (including Site Plan & Elevations) incorporating all the Conditions of Approval to be reviewed and approved by the Planning Division prior to scheduling the project for City Council hearing.
- 4. Developer shall comply with all city, county, state and federal regulations applicable to this project.
- 5. Any substantial project revisions will require review and approval by the Planning Commission. Any revisions shall be approved by the Planning Division prior to Building and Safety plan check submittal.
- 6. The applicant and property owner shall sign an Affidavit of Acceptance form and submit the document to the Planning Division within 30 days of receipt of the Planning Commission Resolution.
- 7. A modification of these conditions, including additions or deletions, may be considered upon filing of an application by the owner of the subject property or his/her authorized representative in accordance with Section 9173.1 of the Zoning Ordinance.
- 8. It is further made a condition of this approval that if any condition is violated or if any law, statute, or ordinance is violated, this permit may be revoked by the Planning Commission or City Council, as may be applicable; provided the Developer has been given written notice to cease such violation and has failed to do so for a period of thirty days.
- 9. Precedence of Conditions. If any of these Conditions of Approval alter a commitment made by the Developer in another document, the conditions enumerated herein shall take precedence unless superseded by the Entitlement Agreement, which shall govern over any conflicting provisions of any other approval.

- 10. City Approvals. All approvals by City, unless otherwise specified, shall be by the department head of the department requiring the condition. All agreements, covenants, easements, deposits and other documents required herein where City is a party shall be in a form approved by the City Attorney. The Developer shall pay the cost for review and approval of such agreements and deposit necessary funds pursuant to a deposit agreement.
- 11. Deposit Account. A trust deposit account shall be established for all deposits and fees required in all applicable conditions of approval of the project. The trust deposit shall be maintained with no deficits. The trust deposit shall be governed by a deposit agreement. The trust deposit account shall be maintained separate from other City funds and shall be non-interest bearing. City may make demands for additional deposits to cover all expenses over a period of 60 days and funds shall be deposited within 10 days of the request therefor, or work may cease on the Project.
- 12. Indemnification. The applicant, property owner, and tenant(s), for themselves and their successors in interest ("Indemnitors"), agree to defend, indemnify and hold harmless the City of Carson, its agents, officers and employees, and each of them ("Indemnitees") from and against any and all claims, liabilities, damages, losses, costs, fees, expenses, penalties, errors, omissions, forfeitures, actions, and proceedings (collectively, "Claims") against Indemnitees to attack, set aside, void, or annul any of the project entitlements or approvals that are the subject of these conditions, and any Claims against Indemnitees which are in any way related to Indemnitees' review of or decision upon the project that is the subject of these conditions (including without limitation any Claims related to any finding, determination, or claim of exemption made by Indemnitees pursuant to the requirements of the California Environmental Quality Act), and any Claims against Indemnitees which are in any way related to any damage or harm to people or property, real or personal, arising from Indemnitors' operations or any of the project entitlements or approvals that are the subject of these conditions. The City will promptly notify Indemnitors of any such claim, action or proceeding against Indemnitees, and, at the option of the City, Indemnitors shall either undertake the defense of the matter or pay Indemnitees' associated legal costs or shall advance funds assessed by the City to pay for the defense of the matter by the City Attorney. In the event the City opts for Indemnitors to undertake defense of the matter, the City will cooperate reasonably in the defense, but retains the right to settle or abandon the matter without Indemnitors' consent. Indemnitors shall provide a deposit to the City in the amount of 100% of the City's estimate, in its sole and absolute discretion, of the cost of litigation, including the cost of any award of attorneys' fees, and shall make additional deposits as requested by the City to keep the deposit at such level. If Indemnitors fail to provide or maintain the deposit, Indemnitees may abandon the action and Indemnitors shall pay all costs resulting therefrom and Indemnitees shall have no liability to Indemnitors.

II. AESTHETICS

- 13. There shall be no deviation of architectural design or details from the approved set of plans. Any alteration shall be first approved by the Planning Division
- 14. Graffiti shall be removed from all areas within twenty-four (24) hours of written notification by the City of Carson, including graffiti found on perimeter walls and fences. Should the graffiti problem persist more than twice in any calendar year, the matter may be brought before the Planning Commission for review and further consideration of site modification (i.e. fencing, landscaping, chemical treatment, etc.).

15. The proposed project site shall be maintained free of debris, litter and inoperable vehicles at all times. The subject property shall be maintained to present an attractive appearance to the satisfaction of the Planning Division.

III. <u>LANDSCAPE/IRRIGATION</u>

- 16. Comply with the provisions of the Los Angeles County Green Building Code Section "Water Efficient Landscaping."
- 17. All new landscape exceeding 2,500 square feet and irrigation will be required to comply with the State's Water Efficient Landscape Ordinance (WELO). Prior to building permit issuance, submit landscape and water efficient plans for all development-related landscape and irrigation in accordance with the Water Efficient Landscape Ordinance (WELO).
 - a. The following tree and groundcover types shall be incorporated into the landscaping plans to enhance the screening of the site, subject to approval by the City Arborist:
 - i. 24-inch Brisbane Box trees,
 - ii. 24-inch Strawberry trees,
 - iii. 24-inch Chinese Pistaches
 - iv. Ice plant (Flats/12" oc)
 - v. Bougainvillea (5 gallon / 4' oc)
 - vi. Creeping Rosemary (1 gallon / 3' oc)
- 18. Landscaping shall be provided with a permanently installed, automatic irrigation system and operated by an electrically-timed controller station set for early morning or late evening irrigation and shall include best water conservation practices that comply with h the Water Efficient Landscape Ordinance (WELO).
- 19. Installation of 6" x 6" concrete curbs is required around all landscaped planter areas, except for areas determined by National Pollutant Discharge Elimination System (NPDES) permit or other applicable condition of approval that requires certain landscaped areas to remain clear of concrete curbs for more efficient storm water runoff flow and percolation. Revised landscaping and irrigation plans shall be reviewed and approved by the Planning Division should subsequent modifications be required by other concerned agencies regarding the removal of concrete curbs.
- 20. Installation, maintenance, and repair of all landscaping shall be the responsibility of the property owner.
- 21. Prior to Issuance of Building Permit, the Developer shall submit two sets of landscape and irrigation plans drawn, stamped, and signed by a licensed landscape architect. Such plans are to be approved by the Planning Division.
- 22. Incorporate additional landscaping to screen and block specific project areas that could be subject to graffiti as determined by the Planning Division.

IV. LIGHTING

- 23. All exterior lighting shall be provided in compliance with the standards pursuant to Section 9147.1 of the Zoning Ordinance.
- 24. Such lights are to be directed on-site in such a manner as to not create a nuisance or hazard to adjacent street and properties, subject to the approval of the Planning Division.

V. PARKING/TRAFFIC

- 25. All driveways shall remain clear. No encroachment into driveways shall be permitted.
- 26. All areas used for movement, parking, loading, or storage of vehicles shall be paved and clearly marked and in accordance with Section 9162.0 of the Zoning Ordinance.

VI. <u>UTILITIES</u>

- 27. All utilities and aboveground equipment shall be constructed and located pursuant to Section 9146.8 of the Zoning Ordinance, unless otherwise provided for in these conditions.
- 28. Public utility easements shall be provided in the location as required by all utility companies with easements free and clear of obstructions, and electrical utilities shall be installed underground.
- 29. Developer shall remove at its own expense any obstructions within the utility easements that would interfere with the use for which the easements are intended
- 30. Any aboveground utility cabinet or equipment cabinet shall be screened from the public right-of-way by a decorative block wall or landscaping, to the satisfaction of the Planning Division.

VII. BUILDING AND SAFETY DIVISION

- 31. Applicant shall submit development plans for plan check review and approval.
- 32. Developer shall obtain all appropriate building permits and an approved final inspection for the proposed project.
- 33. Prior to issuance of building permit, proof of worker's compensation and liability insurance for Developer must be on file with the Los Angeles County Building and Safety Division.

VIII. FIRE DEPARTMENT

34. The final revised plans for the proposed development shall obtain approval and comply with all Los Angeles County Fire Department requirements prior to issuance of Building Permits.

IX. ENGINEERING SERVICES DEPARTMENT – CITY OF CARSON

- 35. All necessary street dedications and street improvements shall not apply due to the exceptions stated on CMC \sections 9161.2, with exceptions to the following items:
 - a. Any existing off-site improvements damaged during the construction shall be removed and reconstructed per City of Carson PW Standard Drawings and to the satisfaction of the City Engineer.
 - b. A construction permit is required for any work to be done in the public right-of-way.
 - c. Construction bond for all work to be done within the public right of way shall be submitted and approved by Engineering Division prior to issuance of permit by Engineering Division
 - d. Proof of Worker's Compensation and Liability Insurance shall be submitted to the City prior to issuance of any permit by Engineering Division.
 - e. The Developer shall submit a copy of **approved** Grading plans on bond paper to the City of Carson Engineering Division, prior to issuance of grading permits.

f. The Developer shall submit an electronic copy of **approved** plans (*such as, Sewer, Street and/or Storm Drain Improvements, whichever applies*), to the City of Carson – Engineering Division, prior to the issuance of construction permits.

36. Per the City's Traffic Engineer:

- a. Traffic control measures would be implemented in accordance with the California Manual on Uniform Traffic Control Devices to reduce hazards to both workers and motorists during construction.
- b. Construction hours shall be limited from 9:00 a.m. to 3:30 p.m.

X. BUSINESS LICENSE

37. All parties involved in the subject project including but not limited to contractors and subcontractors are required to obtain a city business license per Section 6310 of the Carson Municipal Code.

XI. <u>MITIGATION MEASURES</u>

- 38. Applicant shall adhere to the Avoidance and Minimization Measures (AMMs) identified in the Final EIR.
- 39. Hazards and Hazardous Materials.
 - a. HM-2a: Maximum Pressure Allowance: The pipeline shall be operated at a maximum pressure at any point in the pipeline of 160 psig. The operator shall maintain operating pressure information that shall be made available upon request. Information on pipeline maintenance, including pressure testing and any direct assessments or any other pipeline issues, shall be reported to the City.
 - b. HM-2b: **Testing and Monitoring**: New and existing pipeline materials shall be consistent with CGA recommendations for avoidance of hydrogen embrittlement. Operation at or below the Maximum Pressure Allowance of 160 psig will be maintained at all times, ensuring operation that goes conservatively beyond industry recommendations to avoid hydrogen embrittlement. Monitoring of the pipeline shall include the following measures: 1) Cathodic system maintenance, including bi-monthly checks for proper operation. 2) Leak surveys with hydrogen gas detector every six months. 3) Quarterly patrols checking for unusual conditions or activity around the line. 4) Valve functionality assurance testing. 5) A leak detection capable of detecting leaks as small as 0.25 inches in diameter. 6) Damage prevention, pipeline marking and surveillance activities. 7) Other pipeline inspections and any required repairs to address inspection findings. 8) Destructive and metallurgical testing on any sections removed in the course of normal maintenance and operation. The monitoring procedure shall be documented and available for inspection upon request.
 - c. HM-2c: **Pressure Testing**: The pipeline shall be pressure tested at 556 psig, which is approximately 3.5 times the normal operating pressure. The pressure testing shall be performed prior to the introduction of hydrogen, and repeated every 5 years in accordance with DOT regulations.
 - d. HM-4: **Contaminated Materials Management Plan.** A Contaminated Materials Management Plan (CMMP) should be prepared and implemented during the course of the construction activities planned at the Project Site. The CMMP should include maps

- illustrating areas of suspected or known soil contamination. The CMMP should also include the methods for identification of contaminated materials, and removal/disposal of contaminated materials and be consistent with South Coast Air Quality Management District (SCAQMD) rules for the handing of contaminated materials.
- e. HM-Cum1: **Coordination with MTA.** As the proposed Project and the Los Angeles County Metropolitan Transit Authority are developing projects in the same area at the same time, coordination between these two projects shall be completed before any permit issuance, and clearance from the MTA shall be required prior to any permit issuance.

40. Transportation.

- a. T-1: Alternative vehicle and pedestrian access would be established during construction. The Operator should provide a route specific traffic and circulation plan that provides safe access to sidewalks and other areas frequented by pedestrian during construction.
- b. T-4: Emergency response providers in the vicinity of construction sites would be given advance notice of the construction schedule and locations, road closures, and possible alternate routes.

41. Tribal Cultural Resources.

- c. TC-1a: Retain a Native American Monitor/Consultant: The Project Applicant shall be required to retain and compensate for the services of a Tribal monitor/consultant who is both approved by the Gabrieleño Band of Mission Indians-Kizh Nation Tribal Government and is listed under the NAHC's Tribal Contact list for the area of the project location. This list is provided by the NAHC. The monitor/consultant will only be present on-site during the construction phases that involve ground disturbing activities along the 0.5-mile of new pipeline construction along the Dominguez Channel. Ground disturbing activities are defined by the Gabrieleño Band of Mission Indians-Kizh Nation as activities that may include, but are not limited to, pavement removal, pot-holing or auguring, grubbing, tree removals, boring, grading, excavation, drilling, and trenching, within the project area. The Tribal Monitor/consultant will complete daily monitoring logs that will provide descriptions of the day's activities, including construction activities, locations, soil, and any cultural materials identified. Work will be allowed to continue with monitoring provided with a qualified archaeologist if the Tribal Monitor is unavailable and as approved by Tribal Government. The on-site monitoring shall end when the project site grading and excavation activities are completed, or when the Tribal Representatives and monitor/consultant have indicated that the site has a low potential for impacting Tribal Cultural Resources.
- d. TC-1b: Unanticipated Discovery of Tribal Cultural and Archaeological Resources: Upon discovery of any tribal cultural or archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All tribal cultural and archaeological resources unearthed by project construction activities shall be evaluated by the qualified archaeologist and tribal monitor/consultant approved by the Gabrieleño Band of Mission Indians-Kizh Nation. If the resources are Native American in origin, the Gabrieleño Band of Mission Indians-Kizh Nation shall coordinate with the landowner regarding treatment and curation of these resources. Typically, the Tribe will request preservation in place or recovery for educational purposes. Work may continue on other parts of the project while evaluation and, if necessary, additional protective mitigation takes place (CEQA Guidelines Section15064.5 [f]). If a resource is determined

- by the qualified archaeologist to constitute a "historical resource" or "unique archaeological resource", time allotment and funding sufficient to allow for implementation of avoidance measures, or appropriate mitigation, must be available. The treatment plan established for the resources shall be in accordance with CEQA Guidelines Section 15064.5(f) for historical resources.
- e. TC-2: **Unanticipated Discovery of Human Remains:** Upon discovery of human remains, the tribal and/or archaeological monitor/consultant will immediately divert work at minimum of 150 feet and place an exclusion zone around the discovery location. The monitor/consultant(s) will then notify the Tribe, the qualified lead archaeologist, and the construction manager who will call the coroner. Health and Safety Code 7050.5 dictates that any discoveries of human skeletal material shall be immediately reported to the County Coroner and excavation halted until the coroner has determined the nature of the remains. If the coroner recognizes the human remains to be those of a Native American or has reason to believe that they are those of a Native American, he or she shall contact, by telephone within 24 hours, the Native American Heritage Commission (NAHC) and PRC 5097.98 shall be followed. The discovery is to be kept confidential and secure to prevent any further disturbance.

EXHIBIT NO. 2

FINAL ENVIRONMENAL IMPACT REPORT (FEIR) UNDER SEPARATE COVER

(http://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx)

Statement of Overriding Considerations

Air Products Hydrogen Pipeline Project

The Final EIR concluded that, even with application of feasible mitigation measures, one impact cannot be entirely avoided or reduced to less than significant levels. Adoption of a Statement of Overriding Considerations would be necessary to approve the staff-recommended Air Products Hydrogen Pipeline Project. The Final EIR (State Clearinghouse No. SCH 2020059038) identifies an impact in Hazardous Materials and Risk of Upset as a significant environmental effect which is considered unavoidable. The identified significant and unavoidable impact is *HM-2*. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Several mitigation measures adopted as conditions of approval will serve to reduce these impacts, but even with the inclusion of these conditions, the impacts cannot be reduced to less than significant levels. The City of Carson Planning Commission therefore makes the following Statement of Overriding Considerations which warrants approval of the Air Products Hydrogen Pipeline Project notwithstanding that all identified effects on the environment are not fully mitigated.

With respect to the significant environmental effect of the project noted above, the City finds that the stated benefits of the Air Products Hydrogen Pipeline Project outweigh the significant effects on the environment. Pursuant to Public Resources Code Section 21081(b) and CEQA Guidelines Sections 15043, 15092 and 15093, any remaining significant effects on the environment are acceptable due to these overriding considerations:

Substantial mitigation has been provided to further reduce impacts. Impacts have been mitigated to the maximum extent feasible and the level of risk, while significant, has a low probability of occurrence and the analysis conducted is conservative to provide for the maximum level of scrutiny and disclosure. With regards to mitigation, the approach of the measures in the EIR is to reduce the impacts, by reducing the size of a release, or reducing the frequency of a release. The mitigation measures require operations of the pipeline at a lower pressure in order to reduce the size of a potential release and decrease the potential for exposure. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reducing the frequency of a release through an enhanced monitoring and testing regimen. The proposed Project also includes measures for pipeline monitoring, leak detection, inspections, cathodic protection systems to reduce corrosion, coatings and line markings to further reduce the risk of leaks.

Improvement over ongoing hydrogen trucking and traffic reduction. The proposed pipeline Project would provide an improvement in risk levels over the alternative of the future trucking of hydrogen to the Paramount Refinery. As detailed in the Final EIR, use of the pipeline would result in a similar risk levels to the baseline. World Energy currently receives liquefied hydrogen at its Paramount Refinery by tanker truck from a third-party supplier located in Ontario, CA. Without the proposed Project, the Paramount Refinery would continue to receive 5 – 7 tanker trucks trips per day of hydrogen, with associated hazards of hauling a flammable liquid on public roadways, as well as increased highway and local traffic and associated air quality emissions. The existing pipelines, that are proposed under this

Project to be repurposed for hydrogen, would be used for the transport of hydrogen and eliminate the potential risk impacts of the ongoing trucking of liquified hydrogen from Ontario to Paramount.

The Project would use local labor and improve a locally depressed labor market. The proposed Project would use local union labor, including ARB, Inc., to construct 0.5 miles of new pipeline within the City of Carson and connect this newly constructed segment with 11.5 miles of existing pipeline, expanding Air Products' existing hydrogen pipeline network, and enabling it to provide efficient, reliable means of hydrogen distribution from its existing hydrogen production facilities located in Wilmington and Carson to its customers. The Project would employ approximately 60 contractors for construction (local union workers when feasible), one new full-time job, and will increase City of Carson revenue (utility taxes, franchise fees, etc.) by approximately \$60,000 per year.

The Project would support production of clean, renewable fuels. Air Products proposes to utilize this pipeline route to connect Air Products with a new customer in the City of Paramount, who uses hydrogen to produce renewable biofuels (biodiesel and biojet) for the transportation market. The Paramount Refinery produces renewable jet fuel and renewable diesel fuel from non-edible vegetable oil and high-quality beef tallow. World Energy has been in partnership with Paramount Petroleum since 2013 when the Paramount Refinery began the process of converting portions of their oil refinery into renewable fuels production under the Renewable Fuels Project. World Energy's renewable products support California and Federal Low Carbon Fuel Standards. The goals of the standards are to reduce carbon intensity of transportation fuels, complement other state measures for reducing greenhouse gases, transform and diversify the transportation fuel pool, reduce petroleum dependency, and reduce overall air emissions. World Energy currently supplies renewable gasoline, diesel, and jet fuel to fleet services such as UPS, United Airlines, Boeing, the Department of Defense, and several California municipalities and school systems, reducing both truck and airline emissions. World Energy's renewable products meet regulatory and commercial specifications without requiring engine modifications.

Supports California energy independence (economic considerations and region-wide or statewide environmental benefits). Production of crude oil has been substantially reduced in California over the past decades resulting in the need to import oil to produce fuels. The Paramount Refinery has been repurposed to allow for refining beef tallow into diesel and jet fuels that would be used in the area instead of oil produced elsewhere. The project will provide needed hydrogen to the Refinery and as such contribute to the production of clean fuels. These clean fuels would supplant the use of local crude oil production and/or will likely displace some imported foreign crude due to the demand for this commodity. Replacement of foreign crude with production of clean fuels would reduce GHG and criteria pollutant emissions from ocean tankers and other emissions generated during production of oil overseas.

In addition, as California works towards its renewable power and zero emission vehicle goals, there will remain a need for fossil fuel in both the transportation and power sectors. Currently, more than 70 percent of oil entering California to meet the State's needs is from out of the State and is delivered primarily by marine tanker. In 2019, over 58 percent of crude oil supplied to California refineries was shipped from foreign sources. The largest suppliers of foreign oil to California are Saudi Arabia, Ecuador, Colombia, and Iraq followed by smaller supplies from Brazil, Mexico, Africa and the Arabian Gulf. The

Project will contribute to reducing importation of foreign crudes and supports the State's energy independence.

