



## Legislation Text

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**File #:** 14-0486, **Version:** 1

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Recommendation to receive information and provide direction to staff relative to a proposed project in PD-1 Southeast Area Development and Improvement Plan (SEADIP) that requires an amendment to SEADIP and the Local Coastal Program; and

Optionally, adopt resolution allowing for the initiation of a Consolidated Coastal Development Permit process pursuant to Section 30601.3 of the Public Resources Code (Coastal Act) in connection with the Los Cerritos wetlands/Synergy Oil Field located at 6433 E. Second Street and the "Pumpkin Patch" located at 6701 East Pacific Coast Highway. (District 3)

Preservation and restoration of the Los Cerritos wetlands in the southeast part of Long Beach has been an important goal of the City. This commitment was intended to be pursued through an update of the underlying zoning and the Local Coastal Program (LCP). The City's commitment to update the underlying zoning was most recently demonstrated on June 18, 2013, by the City Council's acceptance of a \$929,000 planning grant from the California Department of Conservation. Concurrently, the City Council approved a nearly \$1.4 million planning contract with PlaceWorks (formerly The Planning Center/DC&E) for a comprehensive update to the Southeast Area Development and Improvement Plan (SEADIP) and an amendment to the LCP. The update to SEADIP is well underway, with a community advisory committee formed, several outreach efforts already completed, and an analysis of opportunities and constraints for the entire 1,500-acre area nearly complete. The next step in this planning process is the preparation of conceptual land use alternatives for the entire area within SEADIP, taking into consideration areas already built out, areas for potential new development, and areas for natural habitat and conservation, most notably the Los Cerritos wetlands. This three-year effort is expected to culminate in a comprehensive revision to SEADIP and an amendment to the LCP, and is expected to balance development density with wetlands restoration and natural habitat preservation.

When the City Council authorized the update of SEADIP, the City Council also directed staff to return for further direction if a development proposal was submitted that would require an amendment to the existing zoning regulations while staff was undertaking the comprehensive update. This directive was preferred over a development moratorium, which may have had unintended consequences on smaller development projects or tenant improvements already in the development process.

Los Cerritos Wetlands, LLC (LCW), is the owner of the oil field generally located at 6433 East Second Street (formerly known as the "Bixby oil field," now known as the "Synergy oil field") (Exhibit A - Site Map). The 156-acre site includes a majority of the Los Cerritos wetlands, which extend to both sides of Second Street including the 29.38-acre City-owned wetlands.

The Synergy oil field is zoned under SEADIP Subareas 11 (a), 11 (b) and 33 (Exhibit B - SEADIP map). The allowable uses within these subareas include residential (subareas 11 (a) and 11 (b)) and wetlands and a Least Tern nesting site (subarea 33).

Lyon Housing XLV, LLC (Lyon), is the owner of the property at 6701 East Pacific Coast Highway, commonly referred to as the "Pumpkin Patch." The 7.08-acre site is located at the northeast corner of Pacific Coast Highway and Studebaker Road, and has a SEADIP zoning designation of Subarea 25. The allowable uses within this subarea include business parks (office commercial and light industrial), restaurants and hotels.

On June 16, 2014, LCW and Lyon (Applicants) jointly submitted a proposal (Project) that includes the relocation of the majority of the operations on the Synergy oil field site to the Pumpkin Patch site, removing the majority of existing oil operations infrastructure (e.g., pipes and tanks) on the Synergy oil field, conducting required remediation, creating a wetlands mitigation bank for eventual restoration of approximately 136 acres on the Synergy oil field, and constructing public access improvements and trails through the restored wetlands (Exhibit C - Conceptual Site Plans). The Applicants' stated goal is to restore and open approximately 90 percent of the Los Cerritos wetlands on the Synergy oil field to public access, with the restoration funds being provided through the implementation of a wetlands mitigation bank. The oil operations on the City-owned wetlands south of Second Street would also be considered for consolidation into the Pumpkin Patch; however, as the City is the owner of the property, it would not be included as part of the Applicant's proposed wetlands mitigation bank. The Applicants expect initial efforts to consolidate the oil operations on the Pumpkin Patch to occur by 2016. Relocation of the majority of the oil operations and infrastructure would be phased over several years. Likewise, restoration of the Los Cerritos wetlands would be phased over several years, with the majority of the restoration occurring within 18 months of full approval of the project. The balance of wetland restoration would occur once the oil storage facilities and equipment are removed.

Upon review of the proposed Project, staff has determined that an amendment to SEADIP would be required to allow for the proposed land use (oil operations) in Subarea 25. In addition, SEADIP requires the developer of Subarea 25 to participate in the cost of constructing the extension of Studebaker Road between Second Street and Pacific Coast Highway. This is a significant issue worthy of policy discussion, as the roadway extension would likely have to be constructed through portions of an existing degraded wetlands habitat. The comprehensive SEADIP update is expected to address the viability of this requirement given the potential environmental impacts. If the City is not interested in further pursuing the extension of Studebaker Road, an amendment to SEADIP would be required, either through the comprehensive SEADIP update or in conjunction with this Project. Additionally, an amendment to SEADIP would be required to rezone Subareas 11 (a) and 11 (b) to open space/wetlands purposes in order to assure that future restoration and preservation efforts for the Los Cerritos wetlands

were not compromised by short-term development opportunities currently allowed under the

zoning.

The Project's two sites lie within different coastal jurisdictions. The Synergy oil field is located within the California Coastal Commission's (CCC) area of original jurisdiction and is not a part of the City's certified LCP. The Pumpkin Patch is part of the certified LCP and is located within the City's jurisdiction for the issuance of a local coastal development permit, which is then appealable to the Coastal Commission. As such, both CCC and the City would be required to issue separate coastal development permits for the Project, creating potential confusion, inconsistent conditions of approval or mitigation measures, and a lengthy timeline due to joint application processes. Section 30601.3 of the Public Resources Code (Coastal Act) authorizes the CCC to process a Consolidated Coastal Development Permit application (CCDP) when requested by a local jurisdiction for projects that would otherwise require coastal development permits from both entities. Because of the inter-relationship of the proposed activities on the two sites under different jurisdictions, staff and the Applicants believe that it would be most efficient for the Project to be viewed as one integrated project and permitted under a unified CCDP process.

Before an application for a CCDP can be submitted to the CCC, the local jurisdiction (in this case the City Council) must provide its consent. Staff recommends that the City Council adopt a Resolution supporting the CCDP process, indicating its approval to delegate its coastal development permitting authority to the CCC. The Resolution further provides direction to City staff to work with CCC staff to identify any other City actions necessary to undertake and complete the CCDP process.

Consenting to the CCDP process does not relinquish or reduce the City's role in taking action on other discretionary items related to the application. The Project will require environmental review under the California Environmental Quality Act, as well as an amendment to SEADIP to modify the allowable land uses within Subareas 11 (a), 11 (b), and 25. The City would prepare an amendment to the Local Coastal Program for both sites, including incorporating the Synergy oil field into the certified LCP. To the extent that an additional parcel within SEADIP and within the City's certified LCP is made part of the Project, that parcel would also be included in the City's proposed delegation of permitting authority to the Coastal Commission.

Chapter 12 of the Long Beach Municipal Code limits oil drilling within the City only to designated areas mapped as Oil Operating Areas. The City would consider modifications to the boundaries of the Oil Operating Area to encompass all of the Pumpkin Patch site. Lastly, the project would require Site Plan Review for new construction of any buildings, site improvements, landscaping or hardscape. All of these local actions would need to be completed and authorized prior to the CCC issuing the CCDP, allowing staff and the Applicants to work closely with the CCC as it concurrently handles its own local process. This significantly reduces the timeframe the Applicants would be subject to for processing the Project application.

Given the unique circumstances presented by this opportunity, staff is seeking direction from the City Council with respect to processing this Project independent from the comprehensive SEADIP process that is currently underway. Since this Project includes

a significant portion of SEADIP that is already under review, and if the City Council allows this Project to proceed independently, staff would require the Applicants to conduct the same level of community engagement currently underway for the SEADIP update. In addition to the fiscal impacts discussed below, taking the subject sites out of the comprehensive SEADIP process may also result in a significantly shortened processing time for the SEADIP update.

This matter was reviewed by Assistant City Attorney Michael Mais on June 19, 2014, and by Budget Management Officer Victoria Bell on June 18, 2014.

City Council action on this matter is time sensitive as there is a pending application for this proposal.

The fiscal impact of taking action is not yet known. The California Department of Conservation awarded the City a \$929,000 grant for the comprehensive SEADIP update, and the City authorized a \$1,376,638 contract with PlaceWorks (formerly The Planning Center/DC&E) on June 18, 2013. Both agreements would need to be modified to reflect a reduced scope of work, and the City may incur costs for modifying the contracts. In addition, the State may require that the City reimburse the State for any grant funds already expended by the City on the comprehensive SEADIP update. Through April 2014, the City has incurred approximately \$200,000 in consultant costs. While no General Fund revenues have been used to support the comprehensive planning efforts, any contract modification costs or grant reimbursements may need to come from the General Fund. There is no local job impact associated with the recommendation.

Approve recommendation.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH CONSENTING TO A CONSOLIDATED COASTAL DEVELOPMENT PERMIT PROCESS WITH THE CALIFORNIA COASTAL COMMISSION PURSUANT TO PUBLIC RESOURCES CODE SECTION 30601.3, IN CONNECTION WITH THE LOS CERRITOS WETLANDS/SYNERGY OIL FIELD LOCATED AT 6433 E. SECOND STREET AND THE "PUMPKIN PATCH" LOCATED AT 6701 EAST PACIFIC COAST HIGHWAY, BOTH OF WHICH DEVELOPMENT SITES ARE LOCATED WITHIN THE SOUTHEAST AREA DEVELOPMENT AND IMPROVEMENT PLAN (SEADIP) IN THE CITY OF LONG BEACH

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APPROVED:

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