



## Legislation Text

File #: 18-0030, Version: 2

Recommendation to declare ordinance amending and restating in its entirety Southeast Area Development and Improvement Plan (SEADIP) (PD-1), read and adopted as read. (District 3)

On November 30, 2017, the Planning Commission conducted a public hearing on the Los Cerritos Wetlands Oil Consolidation and Restoration project (Project) to consider requests to certify Environmental Impact Report (03-15), approve a Zoning Code Amendment to SEADIP (PD-1) to allow the project uses; certify an amendment to the Local Coastal Plan; amend the City's Oil Drilling Map; and, approve a Site Plan Review and a Certificate of Compliance. The Planning Commission forwarded a recommendation of approval on each of the requested actions to the City Council (Exhibit A - Planning Commission staff report). The Project site comprises four properties in the southeastern portion of the City. The Project site is generally bordered by the Los Cerritos Channel to the north, beyond which is a residential development; Studebaker Road to the east, beyond which is the AES Power Plant site, and the San Gabriel River; the San Gabriel River to the southwest, beyond which are undeveloped areas; and Pacific Coast Highway to the west, beyond which is commercial development and Alamitos Bay. The site includes Steamshovel Slough, which is approximately 1,950 feet long and is considered a historic or "ancient" marsh in that it has not been modified through dredging or filling.

The site and surrounding areas were historically all wetland areas, but is now characterized by the presence of remnant wetlands, marinas and harbors, oil fields, power plants, oil drilling, commercial development, and low-density residential development. The oil fields were established in the 1930s and portions of two of the sites were used for a short time as a municipal landfill.

Table 1 provides site information about the four properties that comprise the Project site (Exhibit B - Location Map):

Table 1 - Existing Site Information				
Site	Size	Site Boundary	Existing Use	SEADIP Subarea
Synergy Oil Field	150 acres	North: Los Cerritos Channel East: Studebaker Road West: Pacific Coast Highway South:	Oil field (39 wells); Synergy Office building; wetland	11a and 33

City property	33 acres	North: 2nd Street Shopkeeper Road Private Property Gabriel River	Wetlands; Oil field wells)	25
Pumpkin Patch site	7 acres	North: Studebaker Road (stub) East: City of Long Beach West: Pacific Coast Highway South: 1 well River	Seasonal pump and Christmas tree sales; Undeveloped	25
LCWA site	5 acres	North: Private Property East: Private Property Studebaker Road Westminster Avenue	Industrial Storage Undeveloped	19

The Project generally includes various site improvements to each property. All public rights-of-way will be improved to current City standards including, but not limited to, sidewalks, bikeways, and undergrounding of eligible utilities. Furthermore, the phasing out of existing oil wells, pipelines, and associated facilities on the Synergy Oil Field, Pumpkin Patch site, and City Property would occur in a phased manner, beginning from the “New Occupancy Date,” which is the issuance of a Certificate of Occupancy for the new office or warehouse on the Pumpkin Patch site. Half of the oil wells would be removed within 20 years of the New Occupancy Date, and all wells removed within 40 years of the New Occupancy Date. Furthermore, if an oil well produces less than one full barrel of oil per day for a period of 18 consecutive months, the well would immediately be plugged and abandoned. All oil wells are to be abandoned in accordance to the standards set forth by the California Department of Oil, Gas, and Geothermal Resources.

The Synergy Oil Field is divided into two portions: northern and southern. The northern portion includes wetlands, Steamshovel Slough, tidal channels, and mudflats. There are no active oil wells in the northern portion. The southern portion contains wetlands, an active oil field with 39 wells, two tank farms, and a one-story wood office building, the Bixby Ranch Field Office, which is located within the Newport-Inglewood Fault zone. The site takes access from 2nd Street via a signalized intersection at Shopkeeper Road.

During the first two years of the Project, the northern portion of the Synergy Oil Field would be restored to reestablish historic tidal salt marsh and related habitats. This involves constructing sheet piles and earthen berms to create a southern limit to the area, establish tidal channels, remove berms and roads from non-tidal areas, and lowering the elevation of the northern edge of Steamshovel Slough to create additional high marsh species habitat. The applicant also intends to pursue designation of this northern section as a wetlands mitigation bank and convey the property to the Los Cerritos Wetlands Authority (LCWA). Restoration on the northern portion of the Synergy Oil Field would begin immediately.

Regarding the southern portion, the Project would remove 95 percent of the above ground

pipelines and tanks and begin revegetation activities during the first two years. Then, the existing Bixby Ranch Field Office (Field Office) would be relocated out of the Fault zone to a 1.42-acre previously-disturbed area, approximately 427 feet southwest from its current location. The Field Office is eligible for listing in the California Register of Historic Resources and would undergo exterior renovation and restoration. The Field Office would be converted to a publicly-accessible visitors center, along with a paved parking lot and landscaping. The access point to the site from 2nd Street would be improved.

Along with the establishment of the Visitors Center, a ten-foot-wide, pedestrian-only decomposed granite trail would be constructed, connecting the visitor center parking lot to a wetlands overlook before continuing along the site's eastern boundary (near Studebaker Road) to the Los Cerritos Channel.

The City Property site is currently accessed from Shopkeeper Road via an existing driveway. Currently, there are 11 active wells and 2 idle wells on-site, for a total of 13 wells. The Project proposes removal of approximately 95 percent of the oil production infrastructure, including above-ground pipelines and tanks, during the first year, with the remaining infrastructure supporting the existing wells until they are phased out. Construction on the site will involve an approximately 2,200-foot above-ground pipeline system to connect the Pumpkin Patch site to the LCWA site. The proposed pipeline system would extend from the LCWA site beneath the intersection of Studebaker Road and 2nd Street, then run along an existing service road to the Pumpkin Patch site. The pipeline system includes a water injection line, gas line, and various oil lines and would be contained within an earthen berm, approximately 18 inches tall, on both sides. There would also be an underground utility corridor for gas, water, electrical, and communication lines. The applicant has an existing Surface Use Release and Grant Easement (SURGE) Agreement, which defines the current rights for surface use of the City Property. The applicant and the City will amend the SURGE Agreement to reflect these removals as deemed necessary by the City. To ensure that the Project progresses as planned, staff has included a condition of approval for reports to be submitted to the City at regular intervals identifying the amount of oil-related infrastructure that has been removed.

The Pumpkin Patch site is currently accessed from a driveway via the stub of Studebaker Road that is east of Pacific Coast Highway. Development of the Pumpkin Patch site will include street and sidewalk improvements to the Studebaker Road stub, along the property's frontage. Two driveway access points will be created to access the site; the first driveway provides access to the office building and the second is primarily used for the oil production operations. A turnaround will be constructed at the future terminus of Studebaker Road in accordance with City specifications.

The proposed 5,200 square-foot office building on the Pumpkin Patch site is designed with a modern look, with clean lines and substantial glazing. The exterior facade consists of a glass curtain wall with tinted spandrel glass, aluminum sunshades, bronze aluminum framing, and wooden clad eaves to add warmth to the building. The sloping roof element provides

shading for the building and establishes character at a gateway location. The roof includes solar panels that generate power for site usage. The 9,750 square-foot warehouse is connected to the office building and will include a painted concrete exterior, matching the office building. The colors used on the exterior are varied, in order to add interest. An 18-foot to 20-foot screen wall along Pacific Coast Highway and the San Gabriel River will minimize the view of oil production equipment. There is a 30-foot landscaped setback between the Pacific Coast Highway right-of-way and the building/wall, allowing for a softened appearance. Landscaping improvements will be incorporated along the base of the building, as well as throughout new parking areas. The site plan includes 37 parking spaces, which satisfies the zoning code parking requirements for the building, along with electric vehicle charging stations and accessible spaces. The applicant anticipates a space for a City gateway sign at the southwestern corner of the site, which marks the entrance to the City from Seal Beach.

There is currently one active well on the Pumpkin Patch site. The oil production facilities proposed on the Pumpkin Patch site will include 50 new wells contained in a well cellar, comprised of oil production, water injection, and water source wells. These wells would be drilled using a 160-foot-tall drilling rig encased in a sound-attenuated shell. Well drilling would occur over the course of eight years, at which point the drilling rig would be removed. For the duration of the operation, a 120-foot collapsible workover rig will be on site periodically for well maintenance and workover operations.

Access to the LCWA Property is via a driveway on Studebaker Road, north of the intersection of 2nd Street/Westminster Avenue. The existing driveway would be relocated slightly north to avoid an existing utility pole, and a second driveway would be constructed for right-in/right-out access from Westminster Avenue. Construction on this site would include 70 new wells, comprised of oil production, water injection and water source wells, drilled over the course of 14-15 years. Four oil storage tanks (one 28,000-barrel oil tank, one 5,000-barrel water tank, and two 14,000-barrel tanks), ranging from 35 to 50 feet high, would be constructed. Associated equipment would include an elevated pipe rack and three well cellars. Also, a perimeter screen wall, buffer landscaping, sidewalks, and bicycle lanes are proposed.

The primary portion of the energy system microgrid would be constructed on the LCWA site and will connect to the Pumpkin Patch site. The energy system includes a solar photovoltaic system on the Pumpkin Patch site. The main components of the energy system are natural gas turbines located on the LCWA site. The natural gas produced during the oil extraction process powers the facility, producing both electricity and steam for power and heat per the cogeneration design of the system. Until sufficient quantities of natural gas are produced, the project includes an interconnection to Southern California Edison facilities.

A Zoning Code Amendment is required to amend SEADIP to allow for the new oil production areas, wetlands restoration program, visitor's center, and clarification of open space requirements for oil production areas. SEADIP anticipated residential and commercial development on wetland areas, and is no longer an accurate reflection of on-the-ground conditions. As such, it is necessary to update SEADIP to eliminate those uses from the

wetlands areas, and also accommodate for wetlands restoration over time. The existing oil production areas predated the adoption of SEADIP and were not acknowledged as uses, even though they were legally permitted. As such, these uses will be acknowledged as “existing” in Subareas 33 and 25. Lastly, the once-anticipated extension of Studebaker Road from Pacific Coast Highway has been eliminated from SEADIP and replaced with a possible future connection of Studebaker Road at Pacific Coast Highway to Shopkeeper Road. These road segments already exist as dedicated rights-of-way; however, they cannot be completed until the office development and retail center (Marketplace) rebuilds or substantially reinvests. Because SEADIP is incorporated as part of the City’s Local Coastal Program, amendments to SEADIP require a Local Coastal Program Amendment to be certified by the California Coastal Commission (CCC). The proposed amendments to SEADIP are included as Exhibit C. A General Plan Consistency analysis for the Zoning Code Amendment can be found in Exhibit D.

The applicant requests amendment of the City’s Oil Map to add the Pumpkin Patch site and the LCWA Property as oil areas in which oil can be drilled. The Pumpkin Patch site would be added to the current Oil Area 8. The LCWA site is proposed as Oil Area 25. Chapter 12.08 requires that the Planning Commission forward a recommendation to the City Council on the approval of all new or modified oil drilling areas. The Oil Map Amendment components, including a map of existing Oil Drilling Area 8, legal description of proposed Oil Drilling Area 8, legal description of future Oil Drilling Area 25, and a map showing the proposed new Oil Areas are included as Exhibit E. The request complies with required findings for Oil Map Amendments (Exhibit F - Oil Map Amendment Findings).

Site Plan Review is required for the relocation of the Bixby Ranch Field Office on the Synergy site, and construction of the building, warehouse, and associated improvements on the Pumpkin Patch site. All physical improvements in the Coastal Zone, including the buildings, oil facilities (pipelines, wells, tanks, etc.) are subject to Coastal Development Permits. The improvements on all four sites are detailed in Exhibit G - Plans. The Site Plan Review findings are included in further detail in Exhibit H - Site Plan Review Findings. The Site Plan Review also includes conditions of approval to ensure that construction and operation of the project progresses in accordance with project-specific and standard requirements (Exhibit I - Site Plan Review Conditions of Approval).

The Project sites consist of parcels within and outside of the City’s certified Local Coastal Program (LCP). This would typically result in two separate permitting processes, a Local Coastal Development Permit (LCDP) processed by the City for areas within the certified LCP and a separate Coastal Development Permit (CDP) processed by the CCC for the area outside of the certified LCP. On July 1, 2014, the City Council adopted a Resolution authorizing the initiation of a Consolidated Coastal Development Permit (CCDP) process as allowed under Section 30601.3 of the Coastal Act. The consolidated process is intended to improve the integration, efficiency and effectiveness of decision-making when a single project spans across multiple jurisdictions. The consolidated process was mutually agreed upon by the project applicant, the City and the CCC. Under this consolidated approach, the City

prepared the California Environmental Quality Act (CEQA) document and all local approvals, with the exception of the LCDP. Upon certification of the Environmental Impact Report (EIR) and approval of the local entitlements by the City, the CCC will then process the requested LCP amendments and the CCDP. As a result, the CCC will have the final authority to refine project details, such as pipeline routing, to best achieve conformity with the provisions of the Coastal Act and balance competing goals.

The applicant is requesting a Certificate of Compliance to formally establish the legal description and boundaries of the Synergy Oil Field site. Certificates of Compliance are used to document that parcels created prior to, or exempt from, the California Subdivision Map Act are found to comply with the City's land use development standards, such as minimum lot size and street access. A Certificate of Compliance is needed for the Synergy Oil Field for future conveyance to the Los Cerritos Wetlands Authority. The Certificate of Compliance is included as Exhibit J.

The Project allows for consolidation of existing oil operations using more modern and efficient oil production technology and restoration of the still-intact portions of the historic Los Cerritos Wetlands, complete with public access trail and visitors' center. The Project also includes a new office building and warehouse for the Synergy Oil Company that marks a gateway location at the entrance to the City with a new entry monument. The Planning Commission recommends that the City Council find that the Project complies with the General Plan and approve the Project.

Public hearing notices were distributed on December 28, 2017, in accordance with the requirements of Chapter 21.21 of the Long Beach Municipal Code. Any written testimony received following preparation of this report will be provided to the City Council prior to the hearing.

In accordance with CEQA and the CEQA Guidelines, an Initial Study/Notice of Preparation (IS/NOP) was prepared and concluded that the Project would potentially have significant impacts to the environment, which warranted preparation of an Environmental Impact Report.

A Draft Environmental Impact Report (DEIR) (State Clearinghouse Number 2016041083) was prepared for this Project. After analysis, the Draft EIR determined that the Project would result in less-than-significant impacts for all environmental topics except for the Project's construction activities, which would have short-term significant and unavoidable impacts to air quality in that they would exceed regional significance thresholds for construction related Nitrogen Oxide (NO<sub>x</sub>) emissions. Mitigation Measure AQ-2 would reduce construction-related NO<sub>x</sub> emissions; however, the NO<sub>x</sub> emissions would still exceed the threshold. Since Mitigation Measure AQ-2 requires the use of construction equipment that meets the most stringent emissions standards, there are no feasible measures to reduce the construction NO<sub>x</sub> emissions to less than the threshold. For this reason, the Project's construction impacts to air quality are considered significant and unavoidable. To approve a project with significant and unavoidable impacts, the City Council must adopt a Statement of Overriding

Considerations, which includes findings that the Project's benefits outweigh the stated impacts to the environment.

The DEIR circulated for a 45-day public review period between July 24, 2017 and September 6, 2017 (Exhibit K - Draft EIR). Public comments were received during the DEIR public review period from various public agencies, residents, and stakeholders. Responses to these comments were prepared and distributed to the commenters on Friday, November 17, 2017, in accordance with CEQA Guidelines. The responses to the comments, errata to the DEIR, and Mitigation Monitoring and Report Program are included as part of the Final EIR (Exhibit L - Final EIR). The Findings and Statement of Overriding Considerations is included as Exhibit M.

CEQA requires that EIRs include a project alternatives analysis, which include alternatives to lessen significant effects to the environment, and identification of an environmentally superior alternative. The DEIR studied five alternatives, including Alternative 5, Relocated Pipeline Alternative. Alternative 5 would relocate the proposed above-ground pipeline and utility corridor (pipeline system) to the wider oil service road on the eastern side of the City Property site. The Relocated Pipeline Alternative would place the pipeline system alongside a wider service road containing more previously-disturbed areas, and would minimize disturbance to Biological Resources (existing wetlands and sensitive vegetation) along the proposed alignment. On a comparison of all five alternatives, excluding the No Project alternative per CEQA Guidelines, the Relocated Pipeline Alternative is considered the environmentally superior alternative.

Although the Planning Commission's action was a recommendation and not a final approval, an appeal of their recommendations was filed by Ann Cantrell representing Citizens About Responsible Planning, and Anna Christensen/Charles Moore representing Protect the Long Beach/Los Cerritos Wetlands. The appeal forms state a variety of reasons for the appeal including: inadequate environmental review, the Project does not conform to the Local Coastal Program, inadequate mitigation, pipeline is unsafe, inadequate outreach and public input, inadequate engagement with local California Indian Tribes, use of public property for private use, legal status of Project properties, and numerous assertions of misinformation. One appeal additionally incorporates all public comments and oral testimonies from the Planning Commission public hearing (Exhibits N and O - Appeals). The appellants provided no additional information to support the basis of their appeal beyond what is presented in the appeal application form.

The Project was carried out in accordance with all applicable regulations, including the City's General Plan, the Long Beach Municipal Code, the Local Coastal Program, the California Coastal Act, State Planning and Zoning Law, and the California Environmental Quality Act. State CEQA Guidelines prescribes the method by which environmental documents are prepared and the process of preparation and analysis, including the procedures for tribal consultations. Throughout the two-year process, there have been multiple opportunities for public input and engagement, including Planning Commission meetings (study sessions and

public hearing), CEQA public review periods, and the CEQA Scoping Meeting. Furthermore, the applicant has independently engaged in public outreach activities throughout the community and with other public agencies. Denial of the appeal is appropriate because the Project record and findings demonstrate that the Project process is in accordance with regulations, and the findings are supported by facts that were extensively verified and evaluated. Additionally, the applicant has submitted a response to the appeals, confirming that the points raised in the appeal were previously addressed during the project review process, or covered in the Draft and Final EIRs. The applicant's response is included as Exhibit P.

This matter was reviewed by Assistant City Attorney Michael J. Mais on December 29, 2017 and by Budget Operations Administrator Gracie Yoon on December 28, 2017.

City Council action is requested on January 16, 2018. Section 21.21.103B of the Zoning Regulations requires a City Council hearing on a Planning Commission recommendation to take place within 60 days of the Planning Commission hearing, which took place on November 30, 2017.

The recommended actions do not require the City to expend any funds. As a result, the recommended actions do not have a fiscal impact. There is no local job impact associated with these recommendations.

### **Approve recommendation.**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AMENDING AND RESTATING IN ITS ENTIRETY SOUTHEAST AREA DEVELOPMENT AND IMPROVEMENT PLAN (SEADIP) (PD-1)

AMY J. BODEK, AICP  
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APPROVED:

PATRICK H. WEST  
CITY MANAGER