

Los Cerritos Wetlands Authority

Date: May 2, 2019

To: Governing Board Members

From: Mark Stanley, Executive Officer

Subject: Item 8: Status Report and Update on the Los Cerritos Wetlands Oil Consolidation and Restoration Project.

RECOMMENDED ACTION: The Los Cerritos Wetlands Authority receive and file the status report and update on the Los Cerritos Wetlands Oil Consolidation and Restoration Project.

BACKGROUND: The Los Cerritos Wetlands Authority (LCWA) authorized the Executive Officer to enter into an Option Agreement with Los Cerritos Wetlands, LLC for the conveyance of real property. The Executive Officer received Board authorization to enter into this agreement on August 4, 2016. The Option Agreement outlines the terms through which the LCWA would transfer their approximately 5-acre "OTD Parcel" property in exchange for Los Cerritos Wetlands, LLC's 154-acre "Synergy Site" property. The agreement also includes terms for how the proposed mitigation bank would be managed. Beach Oil Minerals Partners (BOMP) has been identified as the project applicant and since the approval of the Option Agreement, BOMP is actively seeking various permits, approvals, and/or entitlements for the project, which includes the completion of an Environmental Impact Report (EIR) and approval of a Coastal Development Permit.

STATUS REPORT AND UPDATE:

Following are the updates regarding the Los Cerritos Wetlands Oil Consolidation and Restoration Project.

1. EIR - The Final EIR and associated Mitigation Monitoring and Reporting Program was approved by City of Long Beach City Council on January 16th, 2018. The City has distributed the "Conditions of Approval" for acceptance by BOMP and the LCWA.
2. Local Coastal Plan Amendment and Coastal Development Permit – The application to approve the Local Coastal Plan Amendment was approved by Long Beach City Council on January 16th, 2018 and ratified by the Los Cerritos Wetlands Authority Board of Directors on February 1st, 2018. An application for the Local Coastal Plan Amendment was submitted to the California Coastal Commission (CCC) in March 2018 and was approved by the Commission on August 8th, 2018 and subsequently accepted by Long Beach City Council on October 2nd, 2018.

The hearing for the project's Coastal Development Permit (CDP) was held on December 13, 2018. The LCWA is a co-applicant with BOMP for this permit and it was approved by the Commission with 25 Special Conditions. A "Notice of Intent to Issue Permit" was issued by the Coastal Commission to the LCWA on January 2, 2019. The permit will not be issued until the 19 "prior to issuance" Special Conditions are met. The Commission's approval of the CDP is valid for three years from the date of approval.

Work towards complying with the special conditions has not been initiated.

3. Mitigation Bank – BOMP submitted the Mitigation Bank’s Draft Bank Enabling Instrument (BEI) in May 2018. Comments of the Draft BEI have been received from the EPA, Army Corps of Engineers, NOAA, and USFWS. Comments from Coastal Commission and CDFW have yet to be provided. The LCWA is closely tracking the progress of this mitigation bank and will be involved in all discussion between the Interagency Review team (IRT) and BOMP. LCWA representatives attended the most recent IRT meeting on April 11, 2019 at which the Interim Management Plan was discussed.

If this mitigation bank is implemented, the LCWA will assume the role of long-term Land Manager. LCWA representatives are working with BOMP to finalize the Bank’s long-term management plan and the terms of the endowment that will support the implementation of land management activities into perpetuity.

4. Option Agreement – The LCWA’s secondary review of the real estate appraisals for the OTD parcel and Synergy Site property was completed and it was determined that new appraisals must be completed in order to comply with State of California regulations. Approved real estate appraisals are necessary to complete a Land Exchange Agreement.