

**Los Cerritos Wetlands Authority**

**Date:** November 2, 2017

**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.

**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).

**STATUS REPORT AND UPDATE:**

Following are the updates in regards to the Los Cerritos Wetlands Oil Consolidation and Restoration Project.

1. EIR - LCWA staff has been tracking the progress of the EIR closely and attends the bi-weekly calls between BOMP, the City of Long Beach, and Coastal Commission staff.

The Draft EIR was circulated for public comment by the City of Long Beach on July 21<sup>st</sup>, 2017. The LCWA's technical consultant team lead by ECORP Consulting, INC reviewed chapters of the DEIR and technical reports that were directly related to the LCWA interests in this project. These peer-review comments were submitted directly to BOMP staff. LCWA staff met with BOMP staff to discuss the comments. The biggest issue found was the drainage plan for the Synergy Site.

A total of 31 public comment letters were submitted to the City of Long Beach as part of the public comment process. This included letters from the following agencies and organizations: California Coastal Commission, Department of Toxic Substances Control, South Coast Air Quality Management District, Sanitation Districts of LA County, CalTrans, El Dorado Audubon, and the Los Cerritos Wetlands Land Trust, as well as many letters from the general public. LCWA staff has reviewed all of the public comment letters and categorized the comments into the following topics presented in relevancy to the of the LCWA's Mission:

- Protection of Sensitive Habitat
- Soil Contamination
- LCWA Land Transfer
- Sea Level Rise
- Tribal Consultation

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- Current and Proposed Oil Operations
- Recreation
- Mitigation Banking
- Local Coastal Plan Amendment
- Air Quality
- Traffic
- Cumulative Impacts

Properly analyzing and addressing each of these project elements is important to the success of this project. The LCWA is already diligently working with BOMP and City of Long Beach staff to address all issues raised by public comment. The LCWA will ensure that all necessary agencies are consulted as required by local, state, and federal regulations. Furthermore, the LCWA is also ensuring that all project elements are consistent with the goals and objectives set forth by the LCWA's Conceptual Restoration Plan.

The applicant anticipates to have the Final EIR proceed to City of Long Beach Planning Commission in November 2017 and City Council in December 2017.

2. Local Coastal Plan Amendment – The currently operating Local Coastal Program (LCP) must be amended by the City of Long Beach to allow for this project to be implemented. The LCWA is a co-applicant on this application and is working with the City of Long Beach and BOMP staff to ensure that any changes to the LCP are in agreement with the LCWA's mission.
3. Mitigation Bank - The third Interagency Review Team (IRT) meeting took place on August 24<sup>th</sup>, 2017 via conference call. The IRT is composed of representatives from US Army Corps of Engineers, US Environmental Protection Agency, NOAA Marine Fisheries, US Fish and Wildlife Service, California Department of Fish and Wildlife, and the California Coastal Commission. The LCWA was also represented on this call. Reference site analysis and bank crediting were the two main topics covered on the call. The next IRT meeting is scheduled for November 6, 2017.

Several public comments on the DEIR addressed the Mitigation Bank. The IRT agencies will be upholding all regulations and will ensure that the Bank is not in violation of any state or federal statutes.

4. Option Agreement – The LCWA is near completion with the secondary review of the real estate appraisals for the OTD parcel and Synergy Site property. Once fully vetted, these appraisals will be brought before the LCWA Board of Directors for final acceptance.

Several public comments on the DEIR addressed the transfer of land between the LCWA and Los Cerritos Wetlands, LLC. The comments brought into question the legality of the LCWA transferring the 5-acre parcel, commonly called OTD Parcel, for the 154-acre Synergy Site. LCWA has performed the due diligence necessary to determine that this land transfer is legal and will not result in a gift of public funds assuming the real estate appraisals demonstrate that the LCWA Site is equal or less valuable than the Synergy Site.

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5. Outreach - BOMP hosted an Open House Event in order to provide stakeholders with information about the project in anticipation of the Planning Commission and City Council hearings. The event was attended by over 200 members of the public representing as many as 11 organizations including Coastal Commission staff members, Audubon, Land Trust and local HOA's. Participants received a briefing from the project's technical staff, were shown a video about the project, and were given the opportunity to take docent-led site tours along the envisioned "Studebaker Trail."