

Los Cerritos Wetlands Authority

Date: February 1, 2018

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 regard to 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.
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. The California Coastal Commission (CCC) is the agency that provides approval for this application. The LCWA is a co-applicant and will need to ratify the application before it goes before CCC. Another crucial entitlement for the project is to receive a Coastal Development Permit from CCC. Both the Local Coastal Plan amendment and the Coastal Development Permit are anticipated to be heard by CCC in Spring 2018.
3. Mitigation Bank - The fourth Interagency Review Team (IRT) meeting took place on November 6, 2017 via conference call. The LCWA was represented on this call. Service area, performance standards, and credit release schedule were the three main topics covered on the call. Another IRT meeting has not been scheduled. The next milestone is for the Bank Sponsor, BOMP, to submit the Draft Bank Enabling Instrument (BEI). The LCWA has not received an update on the progress of the Draft BEI, but LCWA staff has requested that the document be reviewed by the LCWA before being submitted to the IRT. Review by the LCWA is necessary since the Draft BEI will include details about the endowment for the long-term management of the Bank Property and the need for a third-party conservation easement manager. Both items are still under negotiation between the LCWA and the Bank Sponsor. It is anticipated that the BEI will take six to twelve months to be finalized.

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 OTD Parcel for the 154-acre Synergy Site. LCWA has performed the due diligence necessary to determine that this land exchange agreement meets all necessary requirements. The land exchange agreement will be made public once accepted by the LCWA Board of Directors.

The Land Exchange Agreement is in the process of being drafted.

5. Outreach - In October 2017 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. 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."

BOMP continues to successfully engage the community in regard to this project including numerous focused meetings with critical stakeholders like El Dorado Audubon, Los Cerritos Wetlands Land Trust, and the Gabrieleno Band of Mission Indians who all have come out in support of this project. BOMP has also made presentations to the home owner groups within closest proximity to the project and continues to engage their leadership.

Over 350 letters of support have been received and were submitted to the City of Long beach as part of the EIR approval process.