

Los Cerritos Wetlands Authority

Date: November 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:

The following are 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 16, 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 16, 2018 and ratified by the Los Cerritos Wetlands Authority Board of Directors on February 1, 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 8, 2018 and subsequently accepted by Long Beach City Council on October 2, 2018.

The next step in the permitting process is for BOMP to acquire a Coastal Development Permit (CDP). Since submitting their application BOMP has received two Letters of Incompleteness with the most recent letter dated September 27, 2018. This letter highlights six items that require resolution before the application will be brought before the Commission. The applicant and CCC staff continue working together to address the application's deficiencies in an attempt to get it on an agenda for a Coastal Commission hearing in December 2018. LCWA staff and consultants are also in constant coordination with both parties.

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 September 24th, 2018. How soon the Final BEI could be approved will be determined by the comments from Coastal Commission, as the Final BEI cannot be officially approved by Coastal Commission until the project's Coastal Development Permit is approved.

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 a new appraisal must be completed in order to comply with State of California appraisal requirements. Approved real estate appraisals are necessary to complete a Land Exchange Agreement.
5. Outreach - BOMP continues to successfully engage the community in regard to this project, including numerous focused meetings with critical stakeholders and outreach to officials with the State of California in preparation for the upcoming Coastal Commission hearing.