



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning &
Development
Department No.: 053
For Agenda Of: November 1, 2016
Placement: Administrative
Estimated Tme: n/a
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Planning and Development
Director(s) Glenn Russell, Ph D., Director, 568-2085
Contact Info: Peter Cantle, Deputy Director, Energy & Minerals Division,
568-2519

SUBJECT: Coastal Resource Enhancement Fund (CREF) 2017 Cycle

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the annual CREF Status Report (Attachment A); and
- b) Direct staff to commence the 2017 CREF cycle.

Summary Text:

A. Annual CREF Status Report. The Annual Coastal Resource Enhancement Fund (CREF) Status Report (Attachment A) reviews the status of the 304 grants from CREF since 1988. The report organizes the CREF grants by district and then by category (acquisitions, capital improvements, planning and research, educational and equipment).

B. Commencement of the 2017 CREF Cycle. Staff recommends commencement of the 2017 CREF grant cycle, beginning with solicitation of proposals immediately and culminating with the Board's allocation of CREF grants proposed in spring 2017. Fees for the 2017 cycle are due in February and will total \$414,950.

The Point Arguello Project Coastal Development Permit includes a condition requirement imposed by the California Coastal Commission (CCC) to set aside \$1 million of its CREF fees towards implementing a public access program for the Hollister Ranch (see Background section below). Starting

this cycle, staff will begin to set aside Point Arguello's annual fees (\$125,450 for the 2017 cycle) until it reaches \$1 million as required by CCC, Special Condition #1: Hollister Ranch Beach Access.

The Board-approved CREF Guidelines stipulate that half of each year's contributions be available to accrue for coastal acquisitions. Additionally, the City of Goleta reallocated \$10,750 from a 2015 CREF grant back to the acquisition subfund. Therefore, with \$414,950 total fees to be collected in 2017 and \$125,450 to be set aside per the CCC condition requirement, \$144,750 will be available for coastal acquisitions, \$120,875 will be available for general allocation, and \$23,875 will be retained to cover administrative costs.

Background:

The County established CREF as a condition of approval on permits for offshore oil and gas development and transportation projects. Mitigation is provided through CREF for impacts to four categories of coastal resources: recreation, tourism, aesthetics, and environmentally sensitive resources (e.g., marine mammals and birds). The County must ensure that CREF fees are used to mitigate those impacts.

Public Access Program for Hollister Ranch. As noted in the attached CREF Status Report (pages 3-4), the California Coastal Commission (CCC) added two special conditions to the Point Arguello Project's Coastal Development Permit (CDP), when it approved the CDP on appeal in 1985. CCC Special Condition #1 requires the permittee to provide \$1 million to Santa Barbara County through its CREF fees; the \$1 million would be earmarked to provide initial costs for the development of a public access program for the Hollister Ranch. This money was to be collected and set aside from Point Arguello's first three CREF payments. However, CREF fees collected to date have not been set aside; rather, they have been allocated to other projects.

No such public access program has been developed because no agreement has been reached to date between the Hollister Ranch Owner's Association, the California Coastal Conservancy, or the CCC regarding public access through Hollister Ranch. However, as required by the permit condition, staff will begin this cycle setting aside the required \$1 million as it will take a number of years to collect the entire \$1 million. Point Arguello is currently paying less annual CREF fees due to the shutdown of the facility and it is uncertain of when the facility and Plains All American Pipeline will resume operations.

Fiscal and Facilities Impacts:

CREF is funded by mitigation fees paid by developers of offshore oil and gas reserves. Fees to fund grants are received annually. Funding for this project is budgeted on page D-291 of the FY 2016-17 budget in the Coastal Mitigation Budget Program, and is fully supported by funds in the Coastal Resource Enhancement Fund. Administration of CREF includes updates of the annual status report, solicitation and evaluation of grant proposals and recommendation of grant awards to the Board of Supervisors, preparing, monitoring and enforcement of CREF grant contracts, preparation and monitoring of the CREF budget, reassessing CREF fees, and responding to inquiries.

Currently, CREF has an unallocated balance of \$10,902. This amount includes the interest balance that accumulated over the past year and the remaining administrative funds from the past fiscal year. This current unallocated balance plus future interest earnings in the FY 2016-17 will serve as a contingency should administrative costs exceed the estimated budget of \$23,875. In each future CREF cycle, staff will assess how much it needs to set aside annually for administrative costs.

Attachments:

Attachment A: Annual CREF Status Report

ATTACHMENT A

Annual CREF Status Report