Clerk of the Board of Supervisors
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BOARD OF SUPERVISORS AGENDA LETTER

Department Name:
Planning and Development
Department Number:
053
Agenda Date:
August 18, 2026
Placement:
Set-Hearing

Estimated Time:
1 hour on September 1, 2026
Continued Item:
No
If Yes, date from:

Vote Required:
Majority

TO: Board of Supervisors

FROM: Department Director: Lisa Plowman, Planning and Development

DocuSigned by:
Jeffrey G Wilson
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CONTACT: Errin Briggs, Deputy Director, Planning and Development

SUBJECT: Set Hearing to Consider the Coastal Resources Mitigation Fund Santa Ynez Unit Mid-cycle Fee Reassessment

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Concurrences:

County Counsel Concurrence:
As to form: Yes

Auditor-Controller Concurrence:
As to form: N/A

Other Concurrence:
As to form: N/A

Recommended Actions:
On August 18, 2026, set a hearing for September 1, 2026, to consider the Coastal Resources Mitigation Fund Mid-cycle Fee Reassessment for the Santa Ynez Unit.

On September 1, 2026, staff recommends that the Board of Supervisors:

a) Consider and approve reassessment of the Santa Ynez Unit Coastal Resources Mitigation Fund fees for 2025 – 2027;
b) Consider and approve the revised allocation amount for the Coastal Resources Mitigation Fund 2026 – 2027 grant solicitation cycle;
c) Amend the Coastal Resources Mitigation Fund Guidelines for the purposes of documenting the Santa Ynez Unit Mid-cycle Fee Reassessment; and
d) Determine that approving fee reassessments, updating available amounts for the grant solicitation cycle, and updating the Coastal Resources Mitigation Fund Guidelines are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4) and (5).

Summary Text:

This letter sets a hearing for September 1, 2026, for the Board of Supervisors to consider a mid-cycle reassessment of Coastal Resources Mitigation Fund fees for the Santa Ynez Unit, an offshore oil development project acquired by Sable Offshore Corporation (Sable), from May 2025 through December 2027 due to the restart of oil production and storage associated with the project beginning in May 2025. Staff recommends that a total of six Coastal Resources Mitigation Fund "impact" points be reinstated for the project (amounting up to $318,600 annually), which was the number of points assigned to the Santa Ynez Unit prior to 2016 when facilities were fully operational.

Under the modified fee program, $256,650 would be charged for 2025, $318,600 would be charged for 2026, and $318,600 would be charged for 2027 for a total of $893,850. Because Sable already paid their annual mitigation fees for 2025 and 2026 based on the currently-approved assessment (two and a half points totaling $132,750 annually), Planning and Development would charge Sable an additional $123,900 in prorated fees for 2025 (May – December), $185,850 in prorated fees for 2026, and $318,600 in fees for 2027 for a total of $628,350. Sable would be billed in November 2026 with payment due in February 2027, and amounts would be available for the upcoming 2026 – 2027 Coastal Resources Mitigation Fund grant cycle. The Coastal Resources Mitigation Fund Guidelines and Condition of Approval No. X-8 of the Santa Ynez Unit Final Development Plan Permit No. 87-DP-32cz (RV06) state that Santa Ynez Unit's annual fees shall not exceed $327,400 for the life of the project. This reassessment does not exceed this amount.

Administratively, staff also recommends the Board update the Coastal Resources Mitigation Fund Guidelines to include the fee reassessment to ensure it is incorporated into future fund cycles. A detailed fee reassessment is included as Attachment A. The updated Coastal Resources Mitigation Fund Guidelines are included as Attachment B. A CEQA Notice of Exemption is included as Attachment C.

Discussion:

a) 2025 – 2027 Mid-cycle Reassessment

Coastal Resources Mitigation Fund fees are assessed every five years in accordance with the procedures outlined in the Coastal Resources Mitigation Fund Guidelines and consist of identifying residual project impacts in four categories, assigning impact points a value between 0-5, multiplying the total number of impact points by $20,000, and then adjusting the fee to reflect current dollars pursuant to changes in the Consumer Price Index. Fee assessments are based on the previous fee assessments that came before it and are updated with new information the County complies from project monitoring and County permit conditions to determine if changes have occurred that warrant a change to the impact points.

Mitigation fees for the Santa Ynez Unit have been assessed every five years since 1988, and the project was last assigned a total of six impact points during its previous fully operational period from 2013 – 2015. From 2016 – 2027, the Santa Ynez Unit was assigned two and a half points to reflect a non-operational period following the 2015 shutdown of the facilities due to a rupture in the Las Flores Pipeline System (then the Plains All American Pipeline), the facility's export pipeline. Points were reduced to reflect a very low likelihood of an oil spill as the Santa Ynez Unit was purged of oil, all piping was cleared, and the offshore platform wells were secured with block valves. The current 5-year fee assessment (2023 – 2027) assigns the Santa Ynez Unit two and a half points annually, which amounts to $132,750 each year.

The reassessment would reinstate a total of six points annually, for a total fee amount of $318,600 each year due to the increased risk of an oil spill now that the Santa Ynez Unit is operational (Table 1). If approved, the modified fee program would be retroactively applied beginning in May 2025 when the Santa Ynez Unit resumed operations and would continue through December 2027. The next regular fee assessment for the facility will occur in 2027 for years 2028 – 2032.

Table 1. Santa Ynez Unit Coastal Resources Mitigation Fund Mid-cycle Fee Assessment

Impact Category	Approved Impact Points (2023 – 2027)	Modified Impact Points (May 2025 – December 2027)
Coastal Tourism	0	1.25
Coastal Aesthetics	2	2
Environmentally Sensitive Coastal Resources	0.5	1.25
Coastal Recreation	0	1.5
Total Annual Impact Points	**2.5**	**6**
Total Annual Mitigation Fees[1]	**$132,750**	**$318,600**

1- Assessed at $53,100 per point, based on a $20,000 value multiplied by the Consumer Price Index-adjusted amount from the September 2022 Bureau of Labor Statistics Data to reflect constant dollars. Available online at: https://data.bls.gov/series-report, series ID# CUURS49AAA0

b) Revised Funds for the 2026 – 2027 Grant Solicitation Cycle

Under the modified fee program, the County would collect a total of $442,500 in Coastal Resources Mitigation Fund fees for all participating offshore oil and gas development projects for 2025 and a total of $504,450 in fees each for 2026 and 2027, which is a $123,900 - $185,850 annual increase from the currently approved assessment (Table 2) generated from the restart of the Santa Ynez Unit.

Sable would be billed a total of $628,350 ($123,900 in prorated fees for 2025, $185,850 in prorated fees for 2026, and $318,600 in fees for 2027) (Table 3) in November 2026 with payment due in February 2027, and amounts would be available for the upcoming 2026 – 2027 Coastal Resources Mitigation Fund grant cycle, planned to begin in the fall of 2026. Any increased funding would be applied to the upcoming grant solicitation cycle and detailed in a future Coastal Resources Mitigation Fund Awards Board Letter.

Table 2. Annual Coastal Resources Mitigation Fund Fees for 2023 - 2027 (All Projects)

PROJECT	2023	2024	2025	2026	2027
Santa Ynez Unit	**$132,750**	**$132,750**	**$256,650**[1]	**$318,600**	**$318,600**
Point Arguello Unit	$159,300	$159,300	$159,300	$159,300	$159,300
Point Pedernales Project	$26,550	$26,550	$26,550	$26,550	$26,550
Total Fees	**$318,600**	**$318,600**	**$442,500**	**$504,450**	**$504,450**

[1] – Prorated fee amount from May 2025 – December 2025

Table 3. Santa Ynez Unit Annual Coastal Resources Mitigation Fund Payments

	2023	2024	2025	2026	2027
Amount Owed	$132,750	$132,750	$256,650	$318,600	$318,600
Amount Paid	$132,750	$132,750	$132,750	$132,750	$0
Amount Remaining	$0	$0	$123,900	$185,850	$318,600
Total Remaining Fees					**$628,350**

c) Coastal Resources Mitigation Fund Guidelines Amendment

Staff recommends that the Board amend the Coastal Resources Mitigation Fund Guidelines, Page 4 (Table 1) and Page 8 (Table 2) to reflect the modified fee program outlined in (a) and (b) above. Changes would also be made to Tables 1, 2, and 5 to reflect the Board's April 2023 approved changes to the Point Pedernales Project that have not yet been carried over into the Guidelines. The recommended amendments are shown in full in Attachment B. Added text is shown in underline and deleted text is shown in ~~strikeout~~ format. Document formatting was also updated to reflect current Americans with Disabilities Act digital document accessibility requirements.

d) CEQA Determination

Assessing and allocating mitigation fees and amending the Coastal Resources Mitigation Fund Guidelines are fiscal administrative activities that will not result in direct or indirect physical changes in the environment. Therefore, recommended actions (a) through (c) are not considered a "Project" under CEQA Guidelines Section 15378 (b)(4) and (5), which excludes government fiscal activities and administrative activities that will not result in direct or indirect physical changes in the environment. The CEQA Notice of Exemption is included as Attachment C.

Background:

The County established the Coastal Resources Mitigation Fund in 1988 (then the Coastal Resources Enhancement Fund) as a Condition of Approval for certain offshore oil and gas projects whose environmental impacts could not be fully mitigated by other project-specific mitigation measures. The Coastal Resources Mitigation Fund is designed to mitigate residual impacts to coastal recreation, aesthetics, tourism, and sensitive environmental resources by providing funding for eligible coastal enhancement projects for the life of the oil and gas project that is subject to the fees. The fee assessments focus on residual impacts only, that is, those impacts that remain after other project-specific mitigation measures have been implemented. The County assesses updated mitigation fees every five years, and applicable offshore oil and gas project guarantors are required to make annual payments by February 1st of each year.

On December 6, 2022, the Board of Supervisors approved the current five-year fee assessment for the Santa Ynez Unit and other offshore oil and gas development projects, which covers the period from 2023 – 2027. The current assessment assigns impact points to the Santa Ynez Unit based on a non-operational status and a low risk for an oil spill to occur. The Santa Ynez Unit is an oil and gas production unit comprised of sixteen federal leases, three offshore platforms (Harmony, Heritage, and Hondo), associated undersea and onshore pipelines and onshore processing facilities.

In February 2024, Sable acquired the Santa Ynez Unit, and in May of 2025 began producing oil from offshore Platform Harmony and storing hydrocarbons at its onshore facilities. By March of 2026, Sable produced and stored approximately 540,000 barrels of oil at the onshore Las Flores Canyon Oil and Gas Plant, and on March 14, 2026, resumed the transportation of that oil through the interconnected Las Flores Pipeline System to refinery destinations after a federal Department of Energy Executive Order directed at Sable was issued under the Defense Production Act. Following that order, Sable returned Platform Harmony to full service, restarted Platform Heritage in March 2026, and resumed gas production from Platform Hondo in May 2026. According to Sable's Securities and Exchange Commission filing dated June 1, 2026, the Santa Ynez Unit is expected to produce an average of 42,500 – 47,500 barrels of oil per day, with increases in 2027 and beyond[1].

The Coastal Resources Mitigation Fund Guidelines state that a mid-five-year cycle assessment can occur if project circumstances change which significantly affect the fees. Restart of the Santa Ynez Unit constitutes such a circumstance as there is once again offshore oil and gas production contributing to cumulative impacts in the Santa Barbara Channel, with the potential for a spill or other upset event to occur. A reassessment of Coastal Resources Mitigation Fund fees does not open other conditions of the Santa Ynez Unit's Final Development Plan Permit to reevaluation.

A detailed fee reassessment, including the history of all Coastal Resources Mitigation Fund fees allocated for the Santa Ynez Unit, and the rationale for the impact point selection, is provided in Attachment A. The Point Pedernales and the Point Arguello Projects, which are also required to pay mitigation fees, are not affected by this reassessment. The Board last approved fee assessments for those projects on December 6, 2022, and approved a mid-cycle reassessment of the Point Pedernales Project on April 19, 2023. The next regular fee assessment for all three facilities will occur in 2027 for years 2028 – 2032.

[1] Available online at: Sable Offshore SEC Filing Form 8-K dated June 1, 2026

Fiscal and Facilities Impacts:

All costs, including staff administrative costs, associated with the Coastal Resources Mitigation Fund are covered by mitigation fees paid annually by certain offshore oil and gas development projects. Funding is budgeted in the Planning and Development Department's Coastal Mitigation Budget Program, as shown in the County of Santa Barbra Fiscal Year (FY) 2025 – 26 and FY 2026 – 27 Adopted Budgets. There will be no impact to the General Fund.

As outlined in Table 3 above, the fee reassessment would generate additional revenue of $628,350 after credit for amounts already paid by Sable under the currently approved assessment. Because this additional revenue was not included in the FY 2026-27 Adopted Budget, a budget revision would be required if the Board approves the reassessment. Additional revenue would be available for the 2026-27 Coastal Resources Mitigation Fund grant solicitation cycle. A separate budget revision may be needed to recognize any available grant amounts in that cycle.

Special Instructions:

The Planning and Development Department will satisfy all noticing requirements for the September 1, 2026, hearing. Please return a copy of the Minute Order for this item to Planning & Development, attention David Villalobos, Board Assistant Supervisor, at dvillalo@countyofsb.org.

Attachments:

Attachment A – SYU Midcycle CRMF Fee Reassessment
Attachment B – Revised CRMF Guidelines
Attachment C – CEQA Notice of Exemption

Contact Information:

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