

SANTA BARBARA COUNTY BOARD AGENDA LETTER



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

Agenda Number:
Prepared on: 8/26/04
Department Name: Planning and Development
Department No.: 053
Agenda Date: 9/7/04
Placement: Departmental
Estimate Time: One hour
Continued Item: YES
If Yes, date from: 8/10/04

TO: Board of Supervisors

FROM: Valentin Alexeeff, Director
Planning and Development Department

STAFF CONTACT: Doug Anthony, Energy Specialist, 568-2046
Jim Donohoe, Planner, 568-2043

SUBJECT: Initiation of Amendments to the Comprehensive Plan and Zoning Code to Update Oil and Gas Consolidation Policies and Regulations

Recommendation: That the Board of Supervisors approves the Resolution included herein as Attachment A, initiating the following amendments to the Santa Barbara County Comprehensive Plan and Code Zoning Code:

- A. Amend the Coastal Plan by repealing policies 6-13A through 6-13D that address siting criteria for new oil tank farms in the Coastal Zone, and adding new policies 6-13A through 6-13C, along with a brief preamble, addressing consolidation of pipeline terminals.
- B. Amend Policy 6-6D of the Coastal Plan and South Coast Policy 5 of the Land Use Element, replacing the designation of the consolidated oil and gas processing site at Gaviota (APNs 81-130-07, 052, and 053) with new designation as a consolidated pipeline terminal.
- C. Amend the Gaviota Coast Rural Region Land Use Map of the Local Coastal Program, revising the land-use designation of the former Gaviota Interim Marine Terminal (APNs 081-130-060 and 081-130-019) from Coastal-Dependent Industry (I-CD) to Park and Recreation (REC).
- D. Amend the Gaviota Coast Rural Region Zoning Map of the Local Coastal Program, revising the zone district of the former Gaviota Interim Marine Terminal (APNs 081-130-060 and 081-130-019) from Coastal-Dependent Industry (M-CD) to Recreation (REC).
- E. Amend the Coastal Zoning Ordinance (Article II, Chapter 35, Santa Barbara County Code) as follows:
 1. Revise Division 2 by repealing the definition of "Gaviota and Las Flores Canyon Consolidated Planning Areas."
 2. Revise Sec. 35-69, "AG II Agriculture II," to add consolidated pipeline terminals as a permitted use.
 3. Revise Sec. 35-150, the "Purpose and Intent" section for Division 9, "Oil and Gas Facilities," to reflect a change in the designation of the former Gaviota oil and gas processing site (APNs 81-130-07, 52, and 53) from a consolidated oil and gas processing site to a consolidated pipeline terminal.
 4. Revise Sec. 35-154, "Oil Processing Facilities Necessary or Related to Offshore Oil and Gas Development," to eliminate reference to the former Gaviota processing site (APNs 81-130-07, 52, and 53) as a consolidate oil and gas processing site in subsection 35-154.4B.d.

5. Revise Sec. 35-157, "Oil and Gas Pipelines," to clarify the applicability of this section to pump stations.
 6. Revise Sec. 35-158, "Onshore Exploration and/or Production of Offshore Oil and Gas Reservoirs," to eliminate applicability of this section to the Gaviota Planning Area.
 7. Add a new section 35-159 that prescribes the permitting process and requirements for consolidated pipeline terminals.
- F. Amend the Inland Zoning Ordinance (Article III, Chapter 35, Santa Barbara County Code), revising Sec. 35-296, "Treatment and Processing Facilities," to delete reference to Gaviota as a consolidated oil and gas processing site.
- G. Direct staff to work with the State of California to realize conversion of the GTC site into public recreational use following reclamation of the site as a former oil terminal.

Alignment with Board Strategic Plan: The recommendation primarily aligns with Goals No. 2 and 5: A Safe and Healthy Community in Which to Live, Work, and Visit, and A High Quality of Life for All Residents respectively.

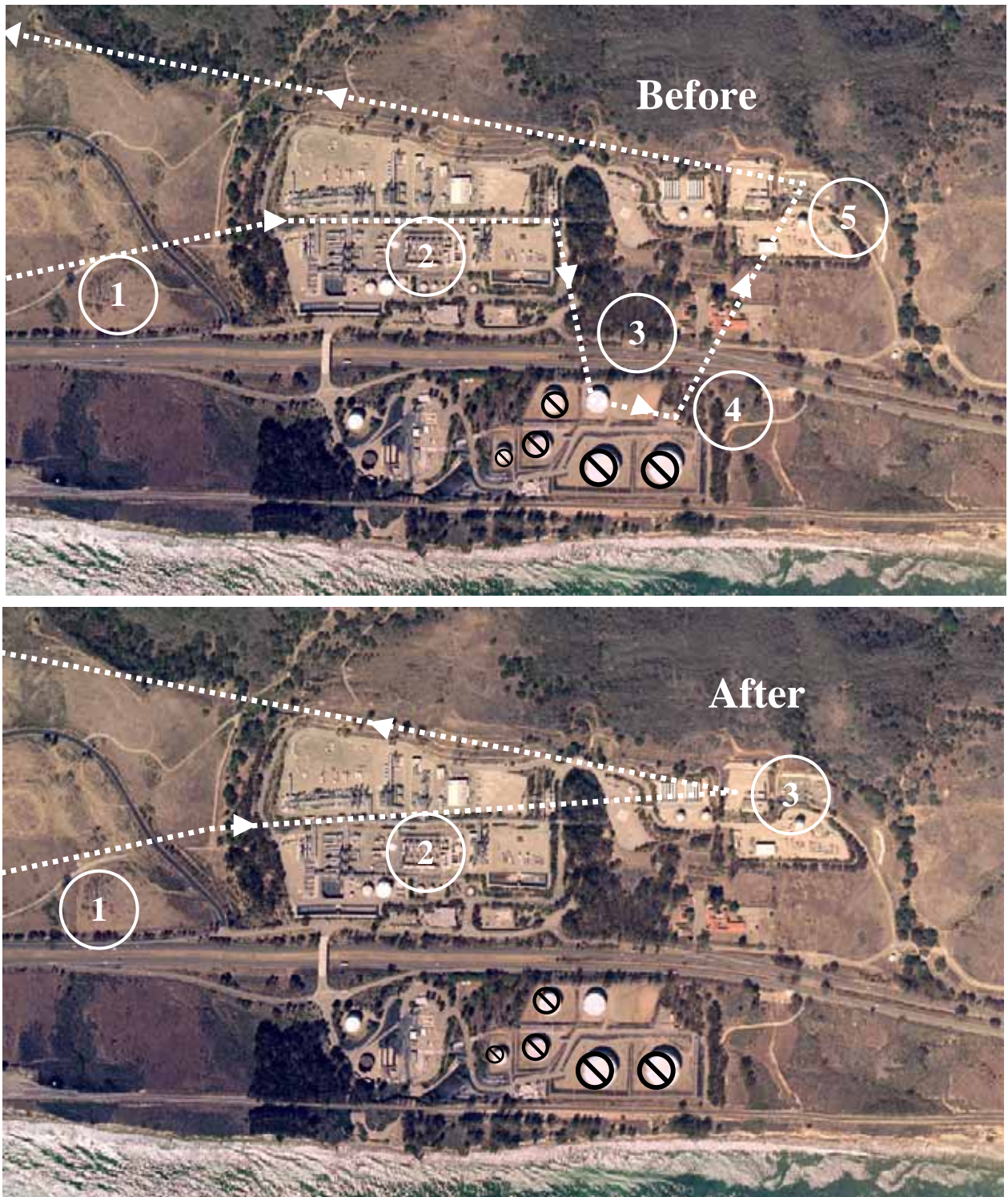
Executive Summary and Discussion: The foregoing recommendations entail an update to important County policies and regulations that guide the siting and consolidation of onshore facilities serving offshore oil and gas development. These updates are warranted to reflect several changing circumstances that affect demand for onshore infrastructure along the County's south coast. The operation of the former Gaviota Interim Marine Terminal on the ocean-side of U.S. 101, which currently provides storage for operations on the mountain-side of U.S. 101, are expected to terminate by the end of 2004. Among other options, the owners are contemplating a donation of the site to the State of California as an addition to the Gaviota State Park, which currently is bifurcated by the terminal.

Additionally, operations at the former Gaviota Oil and Gas Processing Facility, situated on the mountain-side of U.S. 101, have decreased substantially in intensity and function since the 1987 adoption of the South Coast Consolidation Policies. The number of oil/gas leases and projected production offshore this area of Santa Barbara County has decreased substantially as well. The operator has shifted oil and gas processing to the offshore platforms and is in the process of removing oil and gas processing equipment, while still operating a pipeline terminal onsite. The Board of Supervisors directed a change to the consolidated designation of this site in late 2001. Today, staff is recommending initiation of amendments that change the designation from a consolidated processing site and planning area (for production) to a consolidated pipeline terminal, which supports the current and expected future function of the operations on the site.

The Gaviota Interim Marine Terminal

The former Gaviota Interim Marine Terminal is situated on the Gaviota coast, approximately 30 miles west of the city of Santa Barbara, on the ocean-side of U.S. 101. The Gaviota Terminal Company (GTC) decommissioned the marine terminal in 1998, removing the offshore mooring and segments of the subsea pipeline that connected the mooring to land. GTC continued to operate the remaining onshore facility as a pipeline terminal, wherein it received and temporarily stored crude oil across the highway, at the former Gaviota oil and gas processing facility, for shipment to refining centers via the All American Pipeline (see the "Before" diagram in Figure 1 on the next page).

Figure 1: Schematic of Oil Operations at Gaviota (Before & After Proposed Bypass)

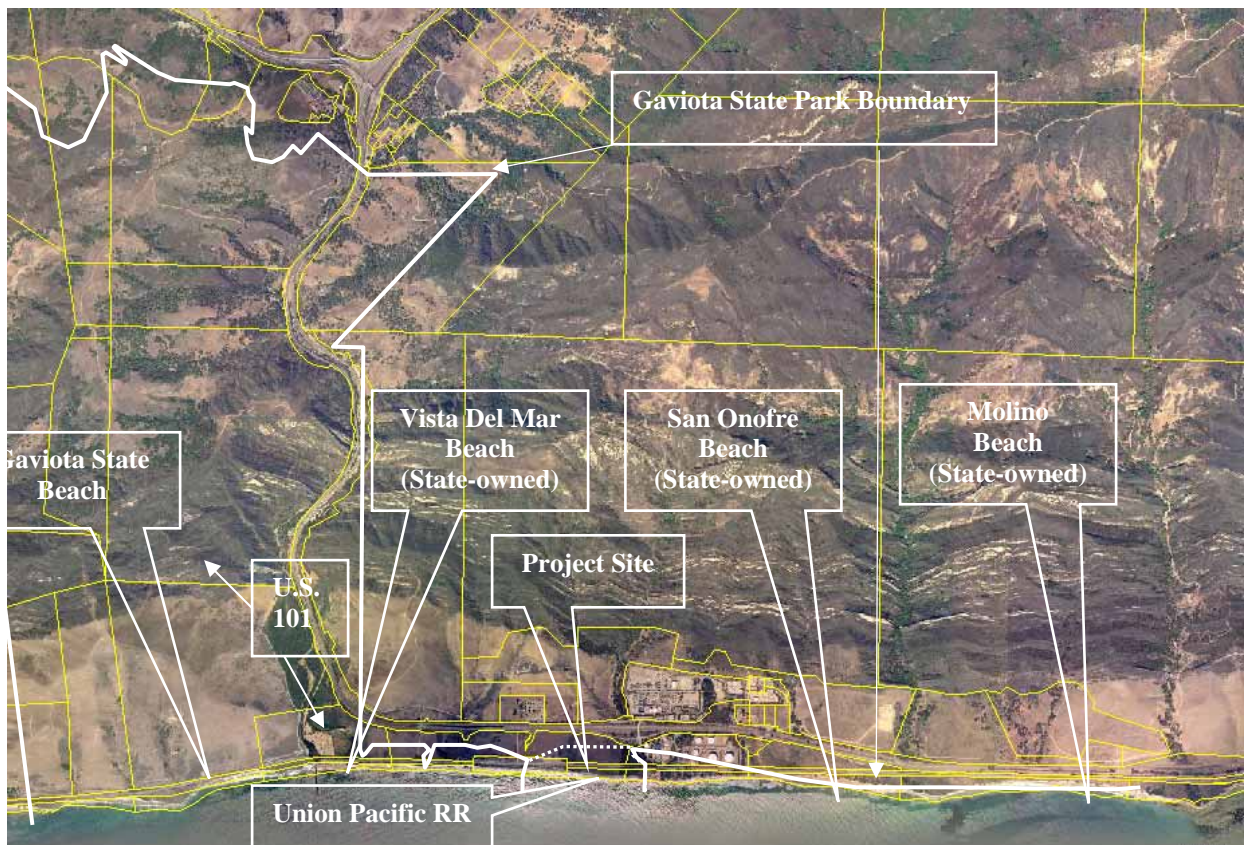


- 1) Oil enters Arguello's Gaviota Oil and Gas Facility on the north side of U.S. 101 from offshore platforms.
- 2) Oil is heated and metered at Arguello's facility.
- 3) Oil is sent to Shell's Gaviota Oil Terminal on the south side of U.S. 101 and stored in the facility's only operational tank.
- 4) Oil is sent from the tank to a pipeline tie-in on the Gaviota South site.
- 5) Oil is sent from the tie-in on the Gaviota South site back across U.S. 101 to a pumping facility for the All American Pipeline and is sent from there in the All American Pipeline to destinations of choice.

GTC recently announced plans to abandon this facility altogether. Meanwhile, Plains Exploration and Production Company (PXP), operator of the former Gaviota oil and gas facility, is proposing to install a pipeline bypassing the GTC facility altogether, and to build additional crude oil storage capacity at its facility on the mountain-side of U.S. 101 (essentially eliminating steps 3 and 4, as illustrated in the “After” Diagram of Figure 1, above). The PXP facility has functioned as a pipeline terminal since the processing of oil and gas was shifted offshore to the platforms, and has been somewhat redundant with operations on the ocean-side of U.S. 101.

GTC is considering donation of the onshore site that houses the former marine terminal to a public agency for use as part of the Gaviota State Park system. The State Parks and Recreation Department currently owns several parcels of land to the east and west of GTC site. Inclusion of the GTC site within the Gaviota State Park would remove the bifurcation between these parcels and agree with the State Park’s 1979 Master Plan. Additionally, the GTC site offers much improved access from U.S. 101 via a modern freeway overpass, versus the at grade access currently available to motorists wishing to access the Gaviota State Park.

Figure 2: Gaviota Properties Owned by the California State Parks and Recreation Department



Initiation of changes to the land-use and zoning designations of this site, from industrial to recreational, makes good planning sense for several reasons.

- The coastal-dependent industrial designations are no longer salient, and future terminal operations can be accommodated at the designated consolidated site on the mountain-side of U.S. 101 at Gaviota.
- The California Coastal Act extends high priority status to coastal access and recreation.

- The GTC site currently bifurcates the Gaviota State Park lands (see Figure 2, above), all of which carry the land-use and zoning designations of Recreation.
- Inclusion of the GTC site into the Gaviota State Park, as envisioned in the 1979 Master Plan for the park, opens opportunities in the future to improve motorized access to the park, thereby improving public safety.

The only uncertainty at this time lies with the ultimate ownership of the site, should GTC decide to sell it to a private landowner, instead of donating it to the Gaviota State Park. Consequently, it is imperative that the County undertake efforts to encourage conversion of the site from a privately owned industrial use to a publicly owned recreational use. Moreover, the proposed initiation gives clear direction regarding clean-up of site contamination by indicating potential for human use of the site in the future.

Update of the Gaviota Consolidated Processing Site

The County designated two sites on its south coast – Las Flores Canyon and Gaviota – as consolidated oil and gas processing sites in the mid-1980s. These designations restricted the onshore processing of oil and gas from offshore reservoirs along the County’s south coast in order to reduce and restrict industrialization of the otherwise rural and scenic Gaviota coast. Other processing facilities operating along the south coast were rezoned, making them legal non-conforming uses.¹ The Las Flores Canyon consolidated site was identified as the preferred location for an oil and gas processing complex proposed by Exxon to handle new offshore production from the Santa Ynez Unit. The Gaviota consolidated site, situated on the mountainside of U.S. 101, had been approved for Chevron’s oil and gas processing complex to serve production of offshore leases in the southern Santa Maria Basin and State Tideland leases in the western Santa Barbara Channel. Chevron had previously operated a gas processing facility at that location and the site’s proximity to the Gaviota marine terminal provided added storage capacity and a marine option for shipping crude oil if overland pipeline capacity was insufficient.

In 1996, County citizens reaffirmed these designations, passing a voter initiative (hereinafter “Measure A-96”). That initiative requires the approval by a majority of votes cast by the voters of the County in a regular election, except for pipelines and except for facilities installed at either the Las Flores Canyon or Gaviota sites approved for consolidated oil and gas processing.

Also in 1996, the County approved amendments to its Coastal Zoning Ordinance to allow installation and operation of production wells within the two consolidated sites, for purposes of developing nearshore oil and gas reservoirs with extended-reach drilling techniques. It also approved the Molino Gas Project, proposed to recover nearshore sweet gas from State Tideland leases offshore Gaviota. The onshore well-sites were approved on the Gaviota consolidated site and would use a portion of Chevron’s gas processing facility to handle natural gas liquids separated from the raw gas stream.

By 1998, however, Chevron shifted its onshore processing operations at Gaviota to its offshore platforms as a cost-savings measure. By 2002, Chevron obtained permits to remove the oil and gas processing equipment at Gaviota. Meanwhile, Chevron has sold its interests in the Point Arguello project, including the Gaviota site, to Plains Resources (now Plains Exploration and Production Company, or PXP).

In 2001, the Board of Supervisors directed staff to pursue amendments to the County’s Local Coastal Program. These amendments would remove the consolidated oil and gas processing designation at Gaviota, since the site was no longer functioning as such, and the operator was proposing abandonment of the processing equipment. However, the Board requested retention of consolidated production status in order to accommodate the Molino

¹ All but one of these facilities have undergone or are undergoing demolition and reclamation.

Gas Project, including provisions for removing relatively low concentrations of hydrogen sulfide from the raw gas stream should such concentration occur during production.

Today, Harvest Natural Resources Inc. has abandoned the Molino Gas project, and has relinquished two of its four offshore leases. The remaining two leases are anticipated to be relinquished following cleanup of seafloor debris.

As a result, current and foreseeable future operations at Gaviota are reduced in intensity to those of a pipeline terminal with the following operations.²

- Heating and pumping of oil received at the site from offshore platforms in order to meet specifications for injection into the All American Pipeline for transport to refineries.
- Storage tank capacity not to exceed 2½ times daily production rates.
- Gas-fueled co-generation of steam and electricity, using natural gas produced by the offshore platforms. The steam is used to heat the crude oil. The electricity powers operations and excess is sold to the grid. A desalination plant also supports this operation, providing water to generate steam, and to serve other ancillary purposes. The co-generating plant is supported by five turbines.
- Other ancillary functions, including but not limited to a gas flare and an office building.

The life of this pipeline terminal is impossible to estimate with precision; however, a rough estimate is 15-to-20 more years. Consequently, staff is recommending revision of the consolidated designation at Gaviota from an oil and gas processing site and planning area to a consolidated pipeline terminal. This designation would allow continued operations as a pipeline terminal, including use of offshore natural gas to generate electricity and steam, and some additional crude oil storage at a capacity sufficient to store 2½ days worth of production coming to the terminal. The designation would expire automatically upon abandonment of the pipeline terminal. It also requires terminals to function as common carriers.

The proposed amendments also define a discretionary permitting process (proposed Section 35-159) for any expansion of operations at the consolidated pipeline terminal, and define such terminals legal conforming uses in either Coastal-Related Industry or Agriculture II zoning. Pipeline terminals situated within the rural area of the County typically are zoned Agriculture II and not considered to be industrial uses. However, there have not been any such terminals permitted in the Coastal Zone. Therefore, staff recommends revisions to the Agriculture II zone district of the Coastal Zoning Ordinance to enable the permitting of such terminals in Agriculture II zoning, but only on a site with a Consolidated Pipeline Terminal designation.

Repeal of Crude Oil Tank Farm Siting Policies

Adopted as amendments to the Coastal Plan in 1985, the County's crude oil tank-farm siting policies (6-13A through 6-13D) have had limited use due to subsequent adoption of consolidation policies for oil and gas processing facilities, preference of overland pipelines over marine vessels for transporting crude oil to refineries, and a prolonged period of low oil prices that revised projected production downward.

There is no reason to consider siting new tank farms in the County's Coastal Zone in the foreseeable future. Potential new production offshore the Gaviota Coast would be accommodated at one of two locations: (1) the Las Flores Canyon consolidated production/processing site, or (2) the Gaviota Consolidated Pipeline Terminal. Potential new production offshore the County's northern coast would be accommodated at locations inland of

² Pipeline terminals are major junctures between pipelines or between a pipeline and other modes of transportation (other than marine) that require specific operations in order to transfer product.

the Coastal Zone: either the Lompoc Oil and Gas Facility or a new site, possible within the Casmalia oil field, in accordance with the North County Siting Study.

Therefore, repealing the current policies meets the intent of the County's consolidation policies to minimize the proliferation of such facilities in the Coastal Zone, while still accommodating potential demand for a new tank farm and processing facility inland of the Coastal Zone.

Mandates and Service Levels: Local jurisdictions are advised to update their local coastal programs in response to changing conditions in order to retain consistency with the Coastal Act and avoid potential conflicts that may result from outdated policies, zoning regulations, and land-use designations. Such updates provide better service to each local jurisdiction's constituency, by way of maintaining a current local coastal program. The proposed changes to the land-use and zoning designations of the former Gaviota marine terminal are timely by informing appropriate agencies about potential future use of the site prior to undertaking reclamation.

Fiscal and Facilities Impacts: This project is funded by the Federal Coastal Impact Assistance Program, as shown on page D-300 of the FY 04-05 budget, under Sources of Grants Summary. Expenditures are shown on the same page under Use of Funds Summary, Long Range Planning.

Special Instructions: Distribute a copy of the Final Resolution of Initiation to Jim Donohoe of the Energy Division.

Clerk of the Board shall forward a copy of the Minute Order to Planning and Development, Attn: Cintia Mendoza, Hearing Support.

Concurrence: County Counsel.

Attachments: Exhibit A – Draft Resolution to Initiate Amendments to the Comprehensive Plan and Zoning Code.

Attachment A

**Draft Resolution to Initiate Amendments
to the Comprehensive Plan and Zoning Code**

**SANTA BARBARA COUNTY BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF INITIATING
AMENDMENTS TO THE COASTAL PLAN,
LAND USE ELEMENT, AND ARTICLES II AND
III OF CHAPTER 35, ZONING, OF THE COUNTY
CODE TO UPDATE THE SOUTH COAST
CONSOLIDATION POLICIES, REPEAL TANK
FARM SITING POLICIES IN THE COASTAL
ZONE, ADD PERMIT PROCEDURES FOR
CONSOLIDATED PIPELINE TERMINALS IN THE
COASTAL ZONE, AND REVISE THE LAND-USE
AND ZONING DESIGNATIONS OF THE
FORMER GAVIOTA MARINE TERMINAL

RESOLUTION NO:

Case Nos. 04GPA-00000-00013, 16, & 17
04ORD-00000-000018 & 19
04RZN-00000-00008

- I. In 1982, the California Coastal Commission certified Santa Barbara County's first Local Coastal Program (LCP). LCP land-use and zoning maps designated a pre-existing marine terminal, located at Gaviota on the ocean-side of U.S. 101 (currently Assessor Parcels Nos. 081-130-019 and 060) as Coastal-Dependent Industry.
- II. In 1985, the California Coastal Commission certified LCP amendments adopted by the County to guide the siting of oil tank farms in the coastal zone (hereafter "TANK FARM SITING POLICIES") in order to protect coastal resources from impacts of developing offshore oil and gas leases.
- III. In 1985, the County of Santa Barbara approved discretionary permits to allow Chevron to construct a major oil and gas processing facility on the mountain-side of U.S. 101 at Gaviota, and conditioned this approval on the agreement that Chevron would operate this facility as a consolidated processing facility, available to all producers at a fair, equitable, and nondiscriminatory basis.
- IV. In 1988, the California Coastal Commission certified LCP amendments adopted by the County to restrict the processing of new offshore oil and gas production to two designated sites along the County's southern coast (hereafter "SOUTH COAST CONSOLIDATION POLICIES"): one on the mountain-side of U.S. 101 at Gaviota and the other in Las Flores Canyon.
- V. In 1996, the California Coastal Commission certified LCP amendments adopted by the County that established a permitting path for onshore production of offshore oil/gas reserves, established the Gaviota and Las Flores Canyon Planning Areas within which the location of onshore wells directionally drilling into offshore reserves were restricted. These amendments enabled permitting of the Molino Gas Project within the Gaviota Planning Area.
- VI. By 1998, the Gaviota Terminal Company had abandoned its Gaviota Interim Marine Terminal, but continues to use one tank on the site to store oil produced from the offshore Point Arguello field prior to its shipment to refineries via the All American Pipeline. More recently, the owners of this onshore oil tank facility have decided to cease operations permanently, and Point Arguello oil production will bypass this storage facility en route to the All American Pipeline.

- VII. Gaviota no longer serves as a consolidated production area or processing site. By 1998, Chevron shifted processing of Point Arguello oil and gas from Gaviota to Platforms Hermosa and Harvest and subsequently obtained permits to remove processing equipment at the Gaviota site. In 2003, Harvest Natural Resources, Inc. commenced abandonment of the Molino Gas Project because its previous exploratory well did not discover economically recoverable volumes of natural gas. Arguello, Inc. currently operates a pipeline terminal at Gaviota (where the consolidated oil and gas processing facility) for shipping Point Arguello oil out of the County via the All American Pipeline, and for co-generating steam and electricity with Point Arguello gas production.
- VIII. It is now deemed in the interest of orderly development of the County and important to the preservation of the health, safety and general welfare of the residents of said County to initiate amendments to the Santa Barbara County Coastal Plan, Land Use Element, zoning ordinances, and associated land use and zoning maps, as follows:
- A. Revise the SOUTH COAST CONSOLIDATION POLICIES for oil/gas processing facilities, and replace TANK FARM SITING POLICIES with new CONSOLIDATED PIPELINE TERMINAL POLICIES in Chapter 3.6 of the Coastal Plan as shown in Exhibit A.
 - B. Revise South Coast Policy 5, Implementing Action C- "Consolidation of Processing Sites" in the Comprehensive Plan Land Use Element as shown in Exhibit B.
 - C. Revise sections 35-58 (Definitions), 35-69 (AG-II Agriculture II), 35-154 (Onshore Processing Facilities Necessary or Related to Offshore Oil and Gas Development), 35-157 (Oil and Gas Pipelines), and 35-158 (Onshore Exploration and/or Production of Offshore Oil and Gas Reservoirs), and add a new section 35-159 (Consolidated Pipeline Terminals) of Article II, Chapter 35 of the County Code (Coastal Zoning Ordinance) as shown in Exhibit C.
 - D. Revise section 35-296 (Treatment and Processing Facilities) of Article III, Chapter 35 of the County Code (Inland Zoning Ordinance) as shown in Exhibit D.
 - E. Revise the Gaviota Coast Rural Region Land Use Map of the Local Coastal Program, changing the land-use designation of the former Gaviota marine terminal, located on the ocean-side of U.S. 101 (APNs 081-130-019 and 060) from Coastal-Dependent Industry (I-CD) to Park and Recreation (REC).
 - F. Revise the Gaviota Coast Rural Region Zoning Map of the Local Coastal Program, changing the zone district of the former Gaviota marine terminal (APNs 081-130-019 and 060) from Coastal-Dependent Industry (M-CD) to Recreation (REC).

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

1. The above recitations are true.
2. Pursuant to the provisions of Santa Barbara County Code Section 35-180.3 and 35-325.3, the Board of Supervisors initiates the foregoing amendments to the Coastal Plan, Land Use Element, zoning ordinances, and associated land use and zoning maps as described above, and directs the Planning and Development Department to process these amendments.

PASSED, APPROVED, AND ADOPTED this seventh day of September, 2004, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Joseph Centeno, Chair
Board of Supervisors of the County of Santa Barbara
State of California

ATTEST:

Michael F. Brown
County Clerk of the Board

By _____
Deputy Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK
County Counsel

By: _____
Deputy County Counsel

EXHIBIT A: PROPOSED TEXTUAL AMENDMENTS TO THE SANTA BARBARA COUNTY COASTAL PLAN CHAPTER 3.6 – INDUSTRIAL AND ENERGY DEVELOPMENT

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Revise Preamble to Chapter 3.6, subsection titled “Oil and Gas Processing Facilities” (page 62 of the Coastal Plan) to read as follows:

Paragraph 1:

~~The County currently has eight oil and gas processing facilities located in the coast zone, two of which are not in operation (Shell Western Molino and Texaco Gaviota). The remaining six facilities process oil only, gas only, or both oil and gas from offshore fields (Unocal Government Point, ARCO Gaviota, Chevron Gaviota, Phillips Tajiguas, ARCO Dos Pueblos, and ARCO Ellwood). Other processing facilities that support offshore oil and gas development are located outside of the Coastal zone; they include Exxon’s oil and gas processing facility in Las Flores Canyon, POPCO’s gas processing facility in Las Flores Canyon, Unocal’s oil processing facility north of Lompoc, and Unocal’s Battles gas plant near Santa Maria. Although somewhat lower than previously anticipated, production will increase considerably above historic levels, possibly peaking during the mid-1990s and perhaps again sometime after year 2000. The associated demand to develop onshore processing, storing, and transporting facilities requires a special planning focus to address long term, land use, public safety, and environmental management concerns. The coastal zone area west of the City of Santa Barbara to Point Arguello is expected to be most affected by increased oil and gas production offshore. Consequently, this area plus a parallele strip of land outside of the coastal zone, *For planning purposes, the coastal strip between the City of Santa Barbara on the east and Point Arguello on the west, bounded by the ridge of the Santa Ynez Mountain Range to the north and the seaward boundary of the California Tidelands on the south,* has been designated as the South Coast Consolidation Planning Area (SCCPA). Another parallel strip of land which follows to the east and has experienced much oil and gas development in the past has been designated as the Carpinteria Valley Consolidation Planning Area (CVCPA). Lastly, a larger area that runs north from the South Coast Consolidation Planning Area has been designated as the North County Consolidation Planning Area (NCCPA). Such designations allow the County to focus policies on reducing the proliferation of oil and gas processing facilities in the area, according to the particular characteristics of each area.~~

Sixth paragraph:

Where

For areas inside the South Coast Consolidation Planning Area (as defined in policy 6-6B below) the County has designated Las Flores Canyon ~~and Gaviota~~ as *the* consolidated oil and gas processing ~~sites~~ *site* to minimize the industrialization of the South Coast.

Revise Policy 6-6D to read as follows:

The oil and gas processing sites site at Gaviota (APNs 81-130-07, 81-130-52, and 81-130-53) and Las Flores Canyon (APNs 81-220-14 and 81-220-19 *as of September 7, 2004*) are *is* designated as *the* consolidated sites *site* for processing oil and gas production from offshore reservoirs and zones. Any new oil and gas production from offshore reservoirs or zones that is processed within the SCCPA shall be processed at ~~these two sites~~ *this site*.

Repeal Current Policies 6-13A through 6-13D as follows:

~~Policy 6-13A: In considering applications for oil storage facilities required for oil transportation, alternative sites shall be considered and evaluated and compared on environmental attributes including, but not limited to, the following (as listed alphabetically):~~

- ~~1) Air Quality;~~
- ~~2) Cultural Resources;~~
- ~~3) Geology and Soils;~~
- ~~4) Habitat Quality;~~
- ~~5) Land Use;~~
- ~~6) Marine Ecology;~~
- ~~7) Noise;~~
- ~~8) Safety;~~
- ~~9) Species of Special Concern; and~~
- ~~10) Visual~~

~~Policy 6-13B: The oil storage facility site shall meet or exceed each of the environmental performance standards described below. Where the best available siting and project design alternatives including onsite mitigation do not meet these standards, compensating off-site mitigation may be allowed, except for on-site factors directly affecting public health and safety. Sites and facilities which do not require off-site mitigation are preferred to those that do, except in those cases in which an off-site mitigation program in combination with the proposed facility configuration is more environmentally preferable than reasonable alternative.~~

~~Oil Storage Facility Environmental Performance Standards:~~

- ~~1) The facility shall not have a significant visual impact.~~
- ~~2) No known or potential significant habitat for locally rare or regionally endemic species shall be adversely affected by the facility.~~

~~Policy 6-13C: The oil storage facility site shall further meet or exceed each of the environmental goals described below. Where the best available siting and project design alternatives do not meet these goals, compensating offsite mitigation may be allowed except for on-site factors directly affecting public health and safety. Sites and facilities which do not require off-site mitigation are preferred to those that do, except in those cases in which an offsite mitigation program in combination with the proposed facility configuration is more environmentally preferable than reasonable alternatives.~~

~~Oil Storage Facility Environmental Goals:~~

- ~~1) To ensure public health and safety, human exposure to risk of an accident at the tank farm shall be limited to an aggregate of 240 person hours per day on average, exclusive of facility employees within one half (1/2) mile of the proposed facility;~~
- ~~2) Not more than 1.6 acres or their equivalent of high productivity terrestrial habitat (equivalent to 1025 acres of industrial use land) shall be disturbed;~~
- ~~3) Not more than 0.064 acres or their equivalent of high productivity marine habitat (equivalent to 1.19 acres of sandy beach) shall be disturbed by a ballast water treatment outfall associated with a marine terminal;~~
- ~~4) The facility shall comply with all standards established in the Noise Element of the Comprehensive Plan and no residents or educational facility shall be subject to greater than a 9dB increment above baseline in ambient noise level.~~
- ~~5) No significant cultural resources shall be adversely affected.~~

~~The interpretation of the Coastal Zoning Ordinance shall not result in less resource protection than mandated by Environmentally Sensitive Habitat Areas (ESHA) protection policies and other policies contained within this Coastal Plan.~~

~~Oil storage facilities at a capacity to accommodate oil transportation requirements shall be consolidated to the maximum extent feasible within one site unless it can be shown that environmental impacts of such a facility are greater than providing such storage capacity at multiple sites.~~

~~In the event that attainment of one or more of these goals is not feasible, a facility may be approved if the County finds that the aggregate facility impacts are less environmentally damaging than any reasonable available alternatives and that the project is fully consistent with other County policies.~~

~~Policy 6-13D: No lands designated for recreation, educational, commercial, resort/visitor serving commercial, or residential use shall be redesignated for use as an oil storage facility site. Any redesignation from uses other than those prohibited shall be accompanied by mitigation to fully offset the land use impacts of that redesignation.~~

Add New Policies 6-13A through 6-13C, including brief preamble as follows:

Consolidated Crude Oil Pipeline Terminal

Crude oil pipeline terminals constitute major junctures between pipelines or between a pipeline and other modes of transportation that require specific operations in order to transfer product. Within the County's Coastal Zone, pipeline terminals for crude oil are operated by oil companies, serve transportation of oil and gas extracted from offshore reservoirs, and, therefore, are coastal-related developments pursuant to Section 30101.3 of the California Public Resources Code. Such terminals generally comprise facilities to heat and pump the oil for transportation to refineries, and may also include limited storage capacity and gas-fired co-generation of steam and electricity primarily to support heating and pumping operations. Crude oil pipeline terminals may coincide with oil and gas processing facilities, onshore production facilities, or may occur at separate locations onshore.

Where: The County deems it in the interest of orderly development and important to the preservation of the health, safety and general welfare of its residents to consolidate the use, location of pipeline

terminals within the Coastal Zone, and to mitigate adverse affects to the environment where such terminals occur.

Crude oil pipeline terminals located with processing facilities shall be governed by the consolidated siting restrictions for processing facilities contained in LCP Policies 6-6B through 6-6G. Crude oil pipeline terminals located separately from processing facilities shall be governed by the following 6-13 policy series. For the purpose of these policies, pipeline terminals refer to the following operations:

- 1) Heating and pumping of crude oil;
- 2) Limited tank storage of crude oil onsite;
- 3) Gas-fired cogeneration of steam and electricity for the primary purpose of fueling onsite operations; and
- 4) Any necessary ancillary structures or improvements.

Policy 6-13A. Consolidation of Oil Pipeline Terminals.

Parcel 081-130-070 (as delineated on County zoning and parcel maps as of January 1, 2004) is designated as a coastal-related Consolidated Pipeline Terminal. This designation serves to identify and limit locations for installation and operation of oil and gas pipeline terminals in the County's Coastal Zone. This designation shall automatically become null and void upon the abandonment of the Gaviota Consolidated Pipeline Terminal.

Policy 6-13B. Shared Use of Consolidated Oil and Gas Pipeline Terminals.

Consolidated crude oil pipeline terminals shall be operated as common carriers, required to provide fair, equitable, and nondiscriminatory access to all shippers.

Policy 6-13C. Mitigation of Impacts

New or improved oil storage tanks at the designated Consolidated Pipeline Terminal shall be located, designed, and mitigated in a manner that best minimizes adverse impacts.

**EXHIBIT B: PROPOSED TEXTUAL AMENDMENTS
TO THE SANTA BARBARA COUNTY COMPREHENSIVE PLAN
LAND USE ELEMENT**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Revise South Coast Policy 5, Implementing Action C – Consolidation of Processing Sites (pg. 93-c) to read as follows:

The oil and gas processing sites *site* at Gaviota (~~APN 81-130-07 and 81-130-44~~) and Las Flores Canyon (APN 81-220-14 and 81-220-19, *as delineated on County zoning and parcel maps as of September 7, 2004*) ~~are~~ *is* designated as *the* consolidated sites *site* for processing oil and gas production from offshore reservoirs and zones. Any new oil and gas production from offshore reservoirs and zones that is processed within the South Coast Consolidation Planning Area shall be processed at ~~these two sites~~ *this site*.

**EXHIBIT C: TEXTUAL AMENDMENTS
TO ARTICLE II (COASTAL ZONING ORDINANCE)
OF CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Repeal the following definition in Division 2, Section 35-58 (Definitions) as follows:

~~GAVIOTA AND LAS FLORES CANYON CONSOLIDATED OIL AND GAS PLANNING AREAS: That area of the Coastal Zone comprised of APNs 81-130-07, 81-130-52, and 81-130-53 (in their entirety). Part of this Planning Area supports the Gaviota Consolidated Oil and Gas Processing Site; the remaining area is reserved for possible future onshore support facilities for offshore oil and gas development. That area of the Coastal Zone comprised of APNs 81-230-19 and 81-220-14 (in their entirety). Part of this Planning Area supports the Las Flores Canyon Consolidated Oil and Gas Processing Site; the remaining area is reserved for possible future onshore support facilities for offshore oil and gas development.~~

Revise Division 4, Section 35-69.3 by revising subsection 9 and adding subsection 12 as follows:

Sec. 35-69. AG-II Agriculture II

3. Permitted Uses.

9. Exploration and production of offshore oil and gas reservoirs from onshore locations, including exploratory and production wells, pipelines, temporary storage tanks, dehydration and separation facilities, and temporary truck terminals located with the ~~Gaviota or Las Flores Canyon Consolidated Oil and Gas Planning Areas~~, subject to the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

12. Consolidated pipeline terminal, subject to being designated for such use in Policy 13A and B of the Coastal Plan and the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

Revise Sec. 35-150.1.2 as follows:

1. Voter Approval.

The voter approval requirement set forth in 1 above shall not apply to onshore pipeline projects or to onshore support facilities that are located entirely within ~~an~~ *the* existing approved consolidated oil and gas processing site at Las Flores Canyon (designated as of June 13, 1995 as APN 81-220-14, 81-230-19) or *the former, but no longer existing or approved, consolidated oil and gas processing site at* Gaviota (designated as of June 13, 1995 as APN 81-130-07, 81-130-52, 81-130-53).

Revise Division 9, Section 35-154.4B.d to read as follows:

Sec. 35-154. Onshore Processing Facilities Necessary or Related to Offshore Oil and Gas Development.

4B. Findings Required for Approval of Development Plans for Facilities in the South Coast Consolidation Planning Area.

- d. The expansion of existing facilities or construction of new facilities are to be located at a ~~County designated~~ consolidated oil and gas processing site as designated in the Coastal Plan of the County's Comprehensive Plan. at Gaviota or Las Flores Canyon, or

Revise Division 9 by revising Section 35-157.1.c. and d. as follows:

Section 35-157. Oil and Gas Pipelines

1. Applicability.

The specific regulations contained within this section shall apply to:

- a. All oil and gas pipelines that extend outside the applicants lease area (e.g., transmission and distribution lines).
- b. All oil and gas pipelines transporting oil and gas from or to an offshore area.
- c. Facilities related to the pipeline ~~(e.g., pump stations, etc.)~~, including simple, in-line pump stations, but not including pipeline terminals regulated under Section 35-159.
- d. ~~Major~~ Oil storage facilities associated with pipelines shall be subject to the regulations contained in Section ~~35-156~~ 35-159. For all districts in which oil and gas pipelines or related facilities are permitted uses or uses permitted with a Conditional Use Permit, the district regulations of Division 4 shall be inapplicable to said use. The regulations for pipelines located within a lease area that are necessary for oil and gas production operations are contained within Sec. 35-153. (Onshore Oil and Gas Production).

Revise Division 9, Section 35-158.1.a to read as follows:

Sec. 35-158. Onshore Exploration and/or Production of Offshore Oil and Gas Reservoirs.

1. Applicability.

- a. ~~The specific regulations contained within this section shall apply only to the Gaviota and Las Flores Canyon Consolidated Oil and Gas Planning Areas as defined in Division 2 of this Article.~~ Onshore Exploration and/or Production of Offshore Oil and Gas Reservoirs shall be restricted to sites designated in the Coastal Plan as consolidated oil and gas processing sites.

Revise Division 9, adding new Section 35-159 to read as follows:

35-159. Consolidated Pipeline Terminals.

1. Applicability.

- a. This section shall apply to pipeline terminals wholly or partially engaged in the transport of oil, gas, or natural gas liquids extracted from offshore reserves. A pipeline terminal is defined as any facility with the primary function of which is to transfer crude oil, natural gas, or natural gas liquids between pipeline systems or between a pipeline and another mode of transportation. A

consolidated pipeline terminal provides open, non-discriminatory access to all shippers. Pipeline terminals may include some of the following components:

- 1) limited oil storage, not to exceed 2½ times permitted daily production;
- 2) oil heating equipment;
- 3) gas-fired co-generation of steam and electricity, including as many as five turbines, primarily to support terminal operations;
- 4) desalinization plant to convert saltwater to water for steam generation and miscellaneous uses at the terminal;
- 5) hydrogen sulfide polishing operation to safely address potential upset conditions;
- 6) oil pumps and natural gas compressors necessary for transferring product between pipelines;
- 7) access roads and staging areas;
- 8) oil spill containment and recovery equipment and structures;
- 9) other equipment and structures that are determined by the Planning Commission to be ancillary to the pipeline terminal.

b. This section shall not apply to the following:

- 1) public works utilities regulated under Section 35-88;
- 2) simple, in-line booster pump stations in crude oil pipelines, which are considered ancillary to pipelines, regulated under Section 35-157;
- 3) pipeline terminals that are located within oil or gas processing facilities and regulated under the provisions of Section 35-154.

2. Permitted Districts. Pipeline terminals are a permitted use in the Agriculture II (AG-II) and Coastal-Related Industry zoning districts, provided that the site is designated in the Coastal Plan as a Consolidated Pipeline Terminal.

3. Processing. No permits for development including grading shall be issued except in conformance with an approved Final Development Plan, as provided in Sec. 35-174. (Development Plans), and with Sec. 35-169. (Coastal Development Permits). In addition to the other information required under Sec. 35-174.3. (Development Plans), the following information must be filed with a Preliminary or Final Development Plan application:

- a. Updated emergency response plans that address the potential consequences and actions to be taken in the event of hydrocarbon leaks or fires. The emergency response plans shall be approved by the County's Emergency Services Coordinator and Fire Department.
- b. An estimated timetable for project construction, operation, and abandonment, including all phases of planned development.

4. Findings Required for Approval of Development Plans. In addition to the findings for Development Plans set forth in Sec. 35-174.7. (Development Plans), no Preliminary or Final Development Plan shall be approved unless the Planning Commission also makes all of the following findings:

- a. The expansion of existing facilities or construction of new facilities are to be located at the County-designated consolidated pipeline terminal at Gaviota.
- b. The proposed facilities will use, to the maximum extent feasible, existing ancillary facilities at the consolidated site.
- c. All significant environmental impacts will be mitigated to the maximum extent feasible.

5. Development Standards. In addition to the regulations of the applicable zoning district, the following standards apply to pipeline terminals.
- a. The level of noise generated by the facility, measured outside the property boundary, shall not exceed 70 dB(A).
 - b. The permittee shall obtain all necessary permits from other agencies before commencing operations.
 - c. No offensive odors, fumes, noxious gases, liquids, or smoke (i.e., visible combustion products, not including steam) generated at the facility, other than from motor vehicles, shall be detectable outside the facility boundary.
 - d. Visual impacts shall be mitigated to the maximum extent feasible with applicable measures. Potential mitigation measures may include:
 - 1) Location and alternative tank configurations (e.g., one large tank versus multiple smaller ones);
 - 2) Buffer strips and depressions, natural or artificial;
 - 3) Screen planting and landscaping continually maintained;
 - 4) Camouflage and/or colors that blend with the surroundings;
 - 5) Lighting positioned, directed, and shielded so as to not directly shine offsite and to minimize offsite glare;
 - 6) Prompt removal or timely painting and upkeep of facilities, tanks, and equipment to prevent deterioration of appearance;
 - 7) Good housekeeping practices.
 - e. Grading and alteration of natural drainages, watersheds, and hillsides shall be minimized to control erosion, minimize flooding, and minimize environmental degradation during facility construction and operation. Where grading and alteration of natural drainages, watersheds, or hillsides is required to carry forth a project, adequate mitigation shall be required, including use of temporary vegetation, seeding, mulching, or other suitable stabilization to minimize impacts to affected areas. All cut and fill slopes shall be stabilized immediately with planting of native grasses and shrubs, appropriate non-native plants, or with accepted landscaping practices. Significant impacts to surface water due to short-term sedimentation of streams shall be mitigated to the maximum extent feasible through adequate erosion and sediment controls, including containment of loose soil.
 - f. Adequate provision shall be made to prevent on-site or off-site erosion and flood damage.
 - g. Adverse impacts to known or potential significant habitat for locally rare or regionally endemic species shall be minimized through maximum feasible mitigation measures. Environmentally sensitive resources shall be protected in accordance with policies in section 3.9 of the Coastal Land Use Plan. Residual significant impacts shall be offset with exaction of mitigation fees, paid to the Coastal Resources Enhancement Fund.
 - h. The risks of oil spills and associated impacts shall be mitigated to the maximum extent feasible. Appropriate preventive measures may include: appropriate location to avoid damage, best-available design, and best-available operational procedures. Added measures to minimize adverse consequences of spills may include: best-available containment designed for worst-case spills, automatic shutdown, leak detection, best-available operational procedures, adequate planning for emergency response, oil spill contingencies, fire protection, and adequate financial assurances to ensure appropriate clean-up and restoration.
 - i. All oil transported from the facility shall be transported by overland pipeline, with the following exception. Temporary transportation by a mode other than pipeline may be permitted under an emergency permit only:

- 1) When the County has made a finding that a declared emergency, which may include a national state of emergency, precludes use of a pipeline; and
 - 2) If an alternate pipeline does not exist, or exists, but is technically infeasible to utilize; and
 - 3) For that fraction of the oil that cannot feasibly be transported by pipeline; and
 - 4) When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible.
- j. Emergency permits issued in accordance with section 35-159.5.i. shall adhere to the procedures of Section 35-171 with the following exceptions:
- 1) Emergency permits shall be issued for no more than 90 days and may be renewed if the emergency persists;
 - 2) Permits shall expire when the County determines that the emergency has ended or that it no longer precludes use of the pipeline.
- k. All transportation of natural gas liquids shall be accomplished in accordance with County-approved practices to protect public safety.
- l. Archaeological and historical resources shall be protected in accordance with Section 3.10 of the Coastal Land Use Plan, and significant impacts shall be mitigated to the maximum extent feasible
- m. Owners and operators of County-designated consolidated pipeline terminals shall make their facilities and property available for consolidated use of terminal facilities and commingled shipping on an equitable and nondiscriminatory basis. Prorated access shall be provided to all shippers if existing transport capacity is insufficient to accommodate proposed production and necessary new facilities are not permissible.
- n. All activities shall be conducted in such a manner so as not to be injurious to the health, safety, or welfare of persons who may be present in the vicinity of the facility by reason of danger to life or property.

**EXHIBIT D: TEXTUAL AMENDMENTS
TO ARTICLE III (INLAND ZONING ORDINANCE)
OF CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Revised Section 35-296.4B.4 to read as follows:

Sec. 35-296. Treatment and Processing Facilities.

Sec. 35-296.4B. Findings Required for Approval of Development Plans for Facilities in the South Coast Consolidation Planning Area.

4. The expansion of existing facilities or construction of new facilities are to be located at a ~~County designated~~ consolidated oil and gas processing site *as designated in the Land Use Element and Coastal Plan of the County's Comprehensive Plan.* ~~at Gaviota or Las Flores Canyon, or~~