



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: P&D; Public Works;  
Parks, Ag.  
Commissioner  
Department No.: 053, 054, 052, 051  
For Agenda Of: August 19, 2008  
Placement: Set Hearing for 9/2/08  
Estimated Tme: 20 minutes  
Continued Item: Yes  
If Yes, date from: February 26, 2008  
Vote Required: Majority

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TO: Board of Supervisors

FROM: Department John Baker, Deputy County Executive Officer, 568-2085  
Directors Scott McGolpin, Director, Public Works Department, 568-3010  
Daniel Hernandez, Director, Parks Department, 568-2461  
William Gillette, Agricultural Commissioner, 681-5600  
Contact Info: Doug Anthony, Planning & Development, 568-2046  
Matt Dobberteen, Public Works, Roads, 568-3576  
Cathleen Carnand, Public Works, Water Agency, 568-3561  
Juan Beltranena, Parks, 568-2470  
David Chang, Ag. Commissioner's Office, 681-5822

SUBJECT: Candidate Projects for Coastal Impact Assistance Funds – 2008-2011

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Recommended Actions:** Set a hearing for September 2, 2008, to consider and authorize the Chair to execute the attached Resolution, revising the County's previous proposed list of projects for inclusion in the California Coastal Impact Assistance Plan, due to reductions in California's allocated funding.

**Summary Text:** On February 26 of this year, the Board of Supervisors approved Resolution 08-055, for the purpose of submitting a list of Tier 1 and Tier 2 projects to the California Resources Agency for inclusion in the state's Coastal Impact Assistance Plan. Once approved, the plan identifies projects authorized to receive Coastal Impact Assistance Program (CIAP) grants from the U.S. Department of the Interior over a four-year period. The Resolution reflected funding levels based on the Interior Department's estimated annually allocation.

Since then, Interior has substantially reduced its estimated annual allocation to California for the third and fourth years of the program, decreasing the amount from \$867,492 to \$282,582. This revised estimated reduced Santa Barbara County's total allocation from \$3,469,968 to \$2,300,149 over four years – a reduction of \$1,169,819. The reduction in California's allocation, along with those of several other coastal states, is primarily due to substantial revenues generated from an oil and gas lease sale

offshore Alaska earlier this year. The legislatively prescribed formula for allocating \$250 million in CIAP funds annually to eligible coastal states during the third and fourth years of the program is based on federal revenue earned offshore each state in fiscal year 2008. Consequently, the lease sale offshore Alaska influenced that state's CIAP allocation favorably, at the expense of other states since the CIAP makes allocations from a set total amount.

The state has asked all eligible coastal counties to revise their lists of CIAP projects to reflect the new allocation. Below is the list of nine Tier 1 projects originally submitted to the Resources Agency in February.

**Original List of Approved Tier 1 CIAP Projects**

<b>Tier 1 Project</b>	<b>Dept.</b>	<b>CIAP Request</b>	<b>Authorized Use</b>
Pt. Sal Access – Engineering Study	PW	\$ 464,827	1
Business Target Pollution Reduction	PW	100,000	1 & 2
Education Coastal Areas	PW	72,000	1 & 2
Creek Signage and Targeted Mailing	PW	12,000	1 & 2
Public Opinion Survey	PW	50,000	1 & 2
Santa Claus Lane Beach Access	Parks	450,000	1
Goleta Beach Park Beach Access/Recreational Enhancement	Parks	1,924,822	1
Jalama Beach Improvements	Parks	296,319	1
Santa Ynez River Restoration	Ag. Comm.	100,000	1 & 2
		3,469,968	

Staff recommends revising the list to reflect the decreased allocation as follows:

- Move Santa Claus Lane Beach Access and Jalama Beach Improvements to the Tier 2 list.
- Reduce the allocation for Goleta Beach Park Beach Access/Recreational Enhancement from \$1,924,822 to \$1,501,322.

**Revised List of Recommended Tier 1 CIAP Projects**

<b>Tier 1 Project</b>	<b>Dept.</b>	<b>CIAP Request</b>	<b>Authorized Use</b>
Pt. Sal Access – Engineering Study	PW	\$ 464,827	1
Business Target Pollution Reduction	PW	100,000	1 & 2
Education Coastal Areas	PW	72,000	1 & 2
Creek Signage and Targeted Mailing	PW	12,000	1 & 2
Public Opinion Survey	PW	50,000	1 & 2
Goleta Beach Park Beach Access/Recreational Enhancement	Parks	1,501,322	1
Santa Ynez River Restoration	Ag. Comm.	100,000	1 & 2
		2,300,149	

Lastly, staff recommends clarification of the use of CIAP funds for the Goleta Beach project so that these funds are earmarked for project costs after all regulatory permits are obtained.

**Background:** Section 384 of the U.S. Energy Policy Act of 2005 established the Coastal Impact Assistance Program for the purpose of sharing \$250 million annually of Federal oil and gas royalties with six coastal states impacted by offshore oil and gas development over a period of four years. Thirty-five percent of each state's share goes directly to coastal political subdivisions, based on a formula that takes into account coastal population, shoreline miles, and proximity to oil and gas leases on the Outer Continental Shelf. A copy of Section 384, along with tables illustrating allocation of CIAP funds for the first two years, was included in the February Board letter.

As a first step, each state compiles a Coastal Impact Assistance Plan that lists projects proposed for funding under CIAP, and certifies that these projects meet the authorized uses of CIAP. The U.S. Department of the Interior, Minerals Management Service, will enter into individual grant agreements with each recipient after determining that the list of projects meets the authorized uses of CIAP. The Minerals Management Service encourages recipients to develop two lists of projects in their Coastal Impact Assistance Plans to reduce the need to process major amendments to the plan following initial approval. The Tier 1 list would contain each recipient's first string of projects proposed for funding, and would equal the amount of CIAP funds available to the recipient. The Tier 2 list would contain second-string projects that the recipient would substitute for any Tier 1 project that ultimately does not move forward, or is completed for less money than budgeted. After approval of the lists, recipients may shift CIAP funds between projects via a minor amendment. The County is under no obligation to list Tier 2 projects, and could still shift funds to another project via a major amendment, which would require approval by the State and a public hearing.

CIAP authorizes the following uses of these funds:

1. Projects and activities for the conservation, protection, or restoration of coastal areas, including wetland.
2. Mitigation of damage to fish, wildlife, or natural resources.
3. Planning assistance and the administrative costs of complying with this section.
4. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan.
5. Mitigation of the impact of Outer Continental Shelf activities through funding of onshore infrastructure projects and public service needs (restricted to 23% of each state's allocation).

Governor Schwarzenegger has charged the California Resources Agency with the task of preparing California Coastal Impact Assistance Plan. The Resources Agency asks each recipient county to transmit its proposed CIAP funding request via a Resolution of the Board of Supervisors. In consultation with the County Executive Office, staff from Public Works, Parks, the Agricultural Commissioner's office, and Planning and Development are recommending the following list of nine projects for CIAP funding. Descriptions of each of these projects, along with a recommended list of Tier 2 projects, appear in Attachment A of this report.

**Fiscal and Facilities Impacts:**

Budgeted: No Some funds are budgeted and some are not.

**Fiscal Analysis:**

<b>CIAP Tier 1 Project</b>	<b>Total Estimated Project Cost</b>	<b>Secured Funds</b>	<b>Requested CIAP Funds</b>	<b>Potential Other Grants</b>	<b>Potential Remaining Funds Needed</b>
Pt. Sal Access – Engineering Study	\$ 5,085,807		\$ 464,827		\$ 4,620,980
Business Target Pollutant Reduction	120,000		100,000		20,000 <sup>1</sup>
Education Coastal Areas	80,000		72,000		8,000 <sup>1</sup>
Creek Signage & Targeted Mailing	20,000		12,000		8,000 <sup>1</sup>
Public Opinion Survey	55,000		50,000		5,000 <sup>1</sup>
Santa Claus Lane Beach Access	2,750,000		450,000		2,300,000
Goleta Beach Access and Recreation Enhancement	9,732,000	2,215,000 <sup>2</sup>	1,501,322	3,800,000 <sup>3</sup>	2,215,678
Jalama Beach Improvements	350,000		296,319	53,681 <sup>4</sup>	
Santa Ynez River Restoration	200,000	3,300 <sup>5</sup>	100,000	96,700 <sup>6</sup>	
	16,203,807	2,218,300	3,469,968	3,950,381	8,865,158

As shown in the foregoing table, all Tier 1 projects would require other funds to complete. Some of these added funds are already available (e.g., mitigation funds from Department of Fish and Game for Santa Ynez River restoration), some would be sought from external funding sources (California Coastal Conservancy), and some would be sought from internal sources (e.g., CREF, General Fund).

**Special Instructions:**

Clerk of the Board will forward the executed Resolution to Doug Anthony, P&D Energy Division.

**Attachments:** Draft Resolution of the Board of Supervisors.

<sup>1</sup> General Fund.

<sup>2</sup> Federal Emergency Management Agency \$1.6 million, U.S. Army Corp of Engineers \$.615 million.

<sup>3</sup> U.S. Army Corps of Engineers \$3 million, Federal Emergency Management Agency \$.8 million.

<sup>4</sup> Quimby funds and/or Coastal Resource Enhancement Fund.

<sup>5</sup> Mitigation funds.

<sup>6</sup> Integrated Regional Watershed Management Plan funds.