

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: 03/02/06
Department: Planning & Development
Budget Unit: 053
Agenda Date: 03/14/06
Placement: Departmental
Estimate Time: 45 minutes
Continued Item: YES
If Yes, date from: 09/07/04

TO: Board of Supervisors

FROM: Dianne Meester, Assistant Director, Planning & Development Department

STAFF CONTACT: Doug Anthony, Interim Deputy Director, P&D Energy Division, 568-2046

SUBJECT: Hearing to Consider Planning Commission Recommendations to Adopt Revisions to Oil & Gas Consolidation Policies and Regulations

Recommendations: That the Board of Supervisors take the following actions:

- A. Adopt the Resolution in Exhibit A, amending Chapter 3.6 of the County's Coastal Plan to remove descriptive text that is no longer accurate; to repeal the Consolidated Oil and Gas Processing Site designation of the former Gaviota oil and gas processing site; to delete criteria for siting new oil tank farms in the Coastal Zone; and to define and address the consolidation of pipeline terminals that support offshore oil and gas development.
- B. Adopt the Resolution in Exhibit B, amending South Coast Policy 5 of the County's Land Use Element to repeal the Consolidated Oil and Gas Processing designation of the former Gaviota oil and gas processing site.
- C. Adopt the Ordinance in Exhibit C amending the Coastal Zoning Ordinance (Article II) deleting references to the Gaviota consolidated oil and gas processing site in Sections 35-58, 35-69.4, 35-150, 35-154, 35-157, 35-158, and adding a new Section 35-159 to define Consolidated Pipeline Terminal as a permitted use in the Agriculture II (AG-II) and Coastal-Related Industry (MC-R) zone districts.
- D. Adopt the Ordinance in Exhibit D, amending the Inland Zoning Ordinance (Article III) to delete references to the Gaviota oil and gas consolidated processing site.
- E. Adopt the CEQA findings in Exhibit E, determining that Negative Declaration 05NGD-00000-00025 constitutes full and adequate disclosure of potential impacts associated with the plan and ordinance revisions and has been completed in compliance with CEQA.
- F. Adopt the legislative findings in Exhibit F for approval of these amendments to Articles II and III of Chapter 35 of the Santa Barbara County Code, to the Land Use Element, and to the Coastal Plan.

G. Continue items A and C, above, to March 21, 2006, to approve a resolution submitting Local Coastal Program amendments to the California Coastal Commission for certification.

Alignment with Board Strategic Plan: The recommendations primarily align with Goals No. 2, Ensure the Public Health and Safety and Provide Essential Infrastructure, and No. 5, Maintain and Enhance the Quality of Life for all Residents.

Executive Summary and Discussion

Overview of the Recommended Amendments

On January 25, 2006, the County Planning Commission unanimously recommended adoption of the proposed amendments at its regularly scheduled public hearing (see Planning Commission Resolution 06-01 which specifies the recommended modifications and is included herein as Attachment G). The proposed plan and ordinance amendments would update important County policies guiding the location and consolidation of onshore support facilities serving offshore oil and gas development. These amendments were initiated by the Board of Supervisors on September 7, 2004. Staff discussed the proposed changes with industry representatives, interested public parties, and other regulatory agencies (i.e., Coastal Commission staff) and in the fall of 2005, staff prepared and circulated a Negative Declaration (05NGD-00000-00025) which documented that no new significant impacts would occur as a result of implementation of these amendments.

These updates are warranted to reflect several operational changes that have occurred in recent years at the Gaviota consolidated oil and gas processing site and the former Gaviota marine terminal site. The number of oil and gas leases and projected future production offshore of the south coast also have decreased substantially since the consolidation policies were adopted in 1987.

The proposed policy and ordinance amendments would:

- Repeal the CONSOLIDATED OIL AND GAS PROCESSING SITE designation from the Gaviota site, leaving the Las Flores Canyon (LFC) site as the sole consolidated processing site on the south coast;
- Repeal TANK FARM SITING CRITERIA from the coastal zone;
- Repeal the designation that allowed for onshore-to-offshore drilling and production from the Gaviota area, leaving the LFC site as the only site designated for such activity; and,
- Establish the CONSOLIDATED PIPELINE TERMINAL designation (including development standards) and apply this designation to the Gaviota site.

These actions would meet the intent of the County's consolidation policies to avoid a proliferation of industrial facilities in the Coastal Zone, while at the same time accommodating potential demand for new oil storage tanks and processing capacity along the south coast.

Staff also is recommending adoption of three additional minor revisions to provide for consistency within the zoning ordinances and to rectify slight deficiencies in the existing ordinance language that were discovered during preparation of this Board Agenda Letter, after

the Planning Commission's January 25, 2006 hearing. Each of these revisions is presented in the attached draft ordinance language:

1. To correct an inadvertent defect in the printed version of an earlier ordinance amendment adopted by the Board, the following language (bold, underlined, italic type) should be inserted to Section 35-296.4B, DIVISION 8 (ENERGY FACILITIES) of Article III of Chapter 35 of the Santa Barbara County Code:

3. Commingling the production in existing or already-approved facilities at designated consolidated sites is environmentally unacceptable. Additionally, no Preliminary or Final Development Plan for expansion or construction of processing facilities shall be approved unless the Planning Commission makes the following findings to restrict industrialization of the area.

Additionally, no Preliminary or Final Development Plan for expansion or construction of processing facilities shall be approved unless the Planning Commission makes the following findings to restrict industrialization of the area:

4. The expansion of existing facilities or construction of new facilities are to be located at a ...

2. To clarify that the site restriction on onshore exploration and/or production of offshore oil and gas reservoirs applies only within the South Coast Consolidated Planning Area, the revision to Section 35-158.1.a, DIVISION 8 (ENERGY FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code recommended by the Planning Commission should include the reference to the South Coast Consolidation Planning Area, as follows:

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 within the South Coast Consolidation Planning Area shall be restricted to sites designated in the Coastal Plan as consolidated oil and gas processing sites.

3. For consistency within Article II, the new Section 35-159 should be referenced in Section 35-170.2, Applicability, of DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code as follows:

Sec. 35-170.2. Applicability.

Section 35-170 shall apply to the following land uses within the unincorporated area of the County:

1. All permitted uses defined in Sections 35-154, 35-155, 35-156, ~~and 35-158,~~ and 35-159 of this Chapter that handle, or at one time handled, oil natural gas, natural gas liquids, produced water, or waste water that originated from an offshore reservoir, regardless of whether these uses were permitted in accordance with this Chapter or any preceding ordinance.

Planning Commission Hearing – January 25, 2006

Staff received no written comments concerning the proposed amendments from representatives of the affected industry or the public in advance of the Planning Commission's hearing. One letter, supportive of the amendments, was received during the public review period for the Negative Declaration. This letter was from Mr. Richard Rojas, California State Parks Department (CDPR), and is appended to the Negative Declaration included in Exhibit G. Two comment letters were received by the Planning Commission just prior to its hearing. These letters, from Ms. Linda Krop, Environmental Defense Center, and Ms. Jean Holmes, League of Women Voters of Santa Barbara, are attached to the Planning Commission Action Letter and are supportive of the plan and policy amendments. Two members of the public spoke at the Planning Commission's hearing, as follows:

1. Mr. Richard Rojas, District Superintendent of the Channel Coast District, California State Parks Department reiterated CDPR's support for the amendments, noting that they could lead to improved recreational experiences for park visitors in the area.
2. Mr. Jim Bray, representing Plains Exploration and Production Company (PXP), owner/operator of the Gaviota site, noted that PXP is in accord with the recommendations in the staff report.

Mandates and Service Levels: Local jurisdictions are advised to update their Local Coastal Programs (LCPs) 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. Maintaining a current LCP provides better service to each local jurisdiction's constituency.

Fiscal and Facilities Impacts: This project is funded by the Federal Coastal Impact Assistance Program, as shown on page D304 of the FY 05-06 budget, under Source of Funds Summary, Grants. Expenditures are shown on page D304, under Use of Funds Summary, Long Range Planning.

Special Instructions: Distribute a copy of the Minute Order to Planning & Development, Attn: Nancy Minick, Energy Division and Cintia Mendoza, Hearing Support.

Concurrence: County Counsel.

Prepared by: Nancy Minick, Energy Specialist

Exhibits:

- A: Board Resolution 06- _____, *Coastal Plan* Amendments.
- B: Board Resolution 06- _____, *Land Use Element* Amendments.
- C: Ordinance _____, *Coastal Zoning Ordinance* (Article II) Amendments.
- D: Ordinance _____, *Inland Zoning Ordinance* (Article III) Amendments.
- E. CEQA Findings to accept Negative Declaration (05NGD-00000-00025).
- F. Legislative Findings for Approval of Adoption of Amendments to the Santa Barbara County Coastal and Inland Zoning Ordinances, Land Use Element and Coastal Plan.
- G. Planning Commission Staff Report dated January 11, 2006 (includes Proposed Final Negative Declaration 05NGD-00000-00025).
- H. Planning Commission Action Letter with signed Planning Commission Resolution 06-01.

EXHIBIT A

**Resolution Adopting Amendments to the
Santa Barbara County Coastal Plan**

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

IN THE MATTER OF ADOPTING
AMENDMENTS TO THE COASTAL LAND
USE PLAN TO UPDATE THE SOUTH
COAST OIL AND GAS CONSOLIDATION
POLICIES, REPEAL TANK FARM SITING
POLICIES IN THE COASTAL ZONE, AND
ADD PERMIT PROCEDURES FOR
CONSOLIDATED PIPELINE TERMINALS
IN THE COASTAL ZONE

RESOLUTION NO. _____

Case No. 04GPA-00000-00018

WITH REFERENCE TO THE FOLLOWING:

- A. Santa Barbara County seeks to minimize the proliferation of oil and gas processing and storage facilities within the Coastal Zone, while still accommodating current and potential future demand for such facilities, in order to avoid adverse impacts of oil and gas processing and storage on marine and coastal resources.
- B. The Santa Barbara County Board of Supervisors initiated, and the County Planning Commission has recommended, specific policy and ordinance amendments that would remove the consolidated oil and gas processing site designation from one of two such-designated sites in the County as that site (Gaviota) is no longer used for processing oil and gas and future consolidated processing needs can be accommodated at the other consolidated processing site (Las Flores Canyon) or other County locations, as appropriate.
- C. The Santa Barbara County Board of Supervisors initiated, and the County Planning Commission has recommended, specific policy amendments that would define a new land use designation of *Consolidated Pipeline Terminal* and would apply that designation to the Gaviota site to provide for current and potential future oil storage needs within the South Coast Consolidated Planning Area.
- D. The Board has held a duly noticed public hearing, as required by Section 65355 of the government Code, at which the amendments to the Coastal Plan were explained and comments invited from persons in attendance.
- E. It is now deemed in the interest of the orderly development of the County of Santa Barbara and important to the preservation of the health and safety of the residents of said County to amend the Coastal Plan as follows:

Revise Preamble to Chapter 3.6, subsection titled “Oil and Gas Processing Facilities” 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). Currently, there are no oil and gas processing facilities located in the unincorporated area of the County's Coastal Zone. 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 parallel 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.~~

Paragraph 6:

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 text in Section 3.6.4, LAND USE PLAN PROPOSALS, Oil and Gas Wells, Paragraph 5 to read as follows:

Where

Oil and gas wells dedicated solely to exploration or production of onshore oil and gas fields are permitted in Coastal Dependent Industry and Agriculture II designations and are conditionally permitted uses in Mountainous Areas, Open Lands, Rural Residential, and all other industrial classifications (refer to Table 3-1). Oil and gas wells dedicated to exploration or production of offshore oil and gas fields are permitted in Coastal Related Industry and Agriculture II designations only within the ~~Gaviota and Las Flores Canyon Consolidated Planning Areas~~ Oil and Gas Processing Site as specified in policies 6-5B and 6-5C. By retaining the AG-II designation within the Consolidated ~~Planning Areas~~ Oil and Gas Processing Site, the County limits the use of industrially zoned (MC-R and MC-D) areas within the Consolidated Oil and Gas Processing Site ~~Sites~~ available for processing facilities; and also, by allowing exploration

and production ~~on~~ *in* AG districts, but not processing, the County provides for the separation of processing and production to accommodate safety concerns.

Revise Policy 6-5B.2 to read as follows:

2. The voter approval requirement set forth in Section 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 Policy 6-5C to read as follows:

Policy 6-5C: Exploration or production of offshore oil and gas reservoirs (including reservoirs which traverse the mean high tide line) from onshore sites shall be restricted to locations within the Las Flores Canyon and Gaviota Consolidated Oil and Gas ~~Planning Areas~~ *Processing Site* which ~~are comprised of~~ *comprises* the parcels identified in Policy 6-5B.2 above. Such exploration and production is compatible with AG-II and MC-R designated land uses within ~~these two~~ *this* Consolidated ~~Planning Areas~~ *Oil and Gas Processing Site*.

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 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 and 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 modified oil storage tanks at a designated Consolidated Pipeline Terminal shall be located and designed so as to avoid significant adverse impacts and shall be in compliance with the policies and regulations of the Coastal Act and Local Coastal Program.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Pursuant to the provisions of Section 65356 of the Government Code, this Board adopts the foregoing amendments to the Coastal Plan.
2. A copy of this Resolution shall be made available pursuant to Section 65357 of the Government Code.

PASSED, APPROVED, AND ADOPTED this 14th day of March 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Join Gray, Chair
Board of Supervisors
County of Santa Barbara

ATTEST:

MICHAEL F. BROWN
County Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK
County Counsel

By _____
Deputy Clerk of the Board

By _____
Deputy County Counsel

EXHIBIT B

**Resolution Adopting Amendments to the
Santa Barbara County Land Use Plan**

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

IN THE MATTER OF ADOPTING
AMENDMENTS TO THE LAND USE
ELEMENT OF THE COMPREHENSIVE
PLAN, TO UPDATE THE SOUTH COAST
OIL AND GAS CONSOLIDATION
POLICIES

RESOLUTION NO. _____

Case No. 04GPA-00000-00017

WITH REFERENCE TO THE FOLLOWING:

- A. Santa Barbara County seeks to minimize the proliferation of oil and gas facilities in the South Coast Planning Area while still accommodating current and potential future demand for such facilities.
- B. The Santa Barbara County Board of Supervisors initiated, and the County Planning Commission has recommended, specific policy amendments that would remove the consolidated oil and gas processing site designation from one of two such-designated sites in the County as that site (Gaviota) is no longer used for processing oil and gas and future consolidated processing needs can be accommodated at the other consolidated processing site (Las Flores Canyon) or other County locations, as appropriate.
- C. The Board has held a duly noticed public hearing, as required by Section 65355 of the government Code, at which the amendments to the Land Use Element were explained and comments invited from persons in attendance.
- D. It is now deemed in the interest of the orderly development of the County of Santa Barbara and important to the preservation of the health and safety of the residents of said County to amend the Land Use Element of the Comprehensive Plan by adopting the following amendments to *South Coast Policy 5, Implementing Action C – Consolidation of Processing Sites* 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.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Pursuant to the provisions of Section 65356 of the Government Code, this Board adopts the foregoing amendments to the Land Use Development Policies of the Land Use Element.

2. A copy of this Resolution shall be made available pursuant to Section 65357 of the Government Code.

PASSED, APPROVED, AND ADOPTED this 14th day of March 2006, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Joni Gray, Chair
Board of Supervisors
County of Santa Barbara

ATTEST:

MICHAEL F. BROWN
County Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK
County Counsel

By _____
Deputy Clerk of the Board

By _____
Deputy County Counsel

EXHIBIT D

**Ordinance Adopting Amendments to the
Santa Barbara County Inland Zoning Ordinance**

ORDINANCE NO. _____

AN ORDINANCE AMENDING ARTICLE III, INLAND ZONING ORDINANCE, OF
CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE BY AMENDING DIVISION 8,
ENERGY FACILITIES, TO DELETE REFERENCES TO GAVIOTA AS A CONSOLIDATED
OIL AND GAS PROCESSING SITE

CASE NO. 04ORD-00000-00019

The Board of Supervisors of the County of Santa Barbara ordains as follows:

SECTION 1

Section 35-296.4B., Findings Required for Approval of Development Plans for Facilities in the South Coast Consolidation Planning Area, of DIVISION 8 (ENERGY FACILITIES) of Article III of Chapter 35 of the Santa Barbara County Code is hereby amended to delete reference to Gaviota as a consolidated oil and gas processing site and to repair an inadvertent defect in the printed version of an earlier ordinance amendment, as follows:

3. Commingling the production in existing or already-approved facilities at designated consolidated sites is environmentally unacceptable. Additionally, no Preliminary or Final Development Plan for expansion or construction of processing facilities shall be approved unless the Planning Commission makes the following findings to restrict industrialization of the area.

Additionally, no Preliminary or Final Development Plan for expansion or construction of processing facilities shall be approved unless the Planning Commission makes the following findings to restrict industrialization of the 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, or at Gaviota or Las Flores Canyon*
5. The proposed processing facilities will use, to the maximum extent feasible, existing ancillary facilities at the consolidated site.

PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 14th day of March 2006, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Joni Gray, Chair, Board of Supervisors
County of Santa Barbara

ATTEST:

MICHAEL F. BROWN
Clerk of the Board of Supervisors

By _____
Deputy Clerk

APPROVED AS TO FORM:

SHANE STARK
County Counsel

By _____
Deputy County Counsel

EXHIBIT C

**Ordinance Adopting Amendments to the
Santa Barbara County Coastal Zoning Ordinance**

AN ORDINANCE AMENDING ARTICLE II, COASTAL ZONING ORDINANCE, OF CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE BY AMENDING DIVISION 2, DEFINITIONS, DIVISION 4, ZONING DISTRICTS, AND DIVISION 9, OIL AND GAS FACILITIES TO DELETE REFERENCES TO GAVIOTA AS A CONSOLIDATED OIL AND GAS PROCESSING SITE AND ADD A NEW SECTION 35-159 (CONSOLIDATED PIPELINE TERMINALS)

CASE NO. 04ORD-00000-00018

The Board of Supervisors of the County of Santa Barbara ordains as follows:

SECTION 1

Section 35-58, Definitions, DIVISION 2 (DEFINITIONS) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended 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.~~

SOUTH COAST CONSOLIDATED OIL AND GAS PROCESSING ~~SITE. SITES~~ The site sites supporting the Las Flores Canyon Oil and Gas Processing Facility (The the industrially zoned portions of APNs 81-220-14 and 81-230-19), and the Gaviota Oil and Gas Processing facility (APNs 81-130-07, 81-130-53, and the industrially zoned portion of APN 81-130-52). Any new oil and gas production from offshore reservoirs or zones that is processed within the SCCPA must be processed at these two sites this site.

SECTION 2

Section 35-69.4, Uses Permitted With a Major Conditional Use Permit, DIVISION 4 (ZONING DISTRICTS) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended as follows:

4. Uses Permitted with a Major Conditional Use Permit.
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 ~~Processing Site Planning Areas~~, subject to the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

10. Consolidated pipeline terminal, subject to being designated for such use in Policy 6-13A and B of the Coastal Plan and the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

SECTION 3

Section 35-150.1, Voter Approval, DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended as follows:

2. 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).

SECTION 4

Section 35-154, Onshore Processing/Treatment Facilities Necessary or Related to Offshore Oil and Gas Development, DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended 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.~~

SECTION 5

Section 35-157, Oil and Gas Pipelines, DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended as follows:

Sec. 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 applicant's 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).

SECTION 6

Section 35-158, Onshore Exploration and/or Production of Offshore Oil and Gas Reservoirs, DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended 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 within the South Coast Consolidation Planning Area shall be restricted to sites designated in the Coastal Plan as consolidated oil and gas processing sites.

2. Permitted or Conditionally Permitted Districts.

Exploration and production of oil and gas resources is permitted or conditionally permitted in the following Districts contained within the ~~Gaviota and Las Flores Canyon Consolidated Planning Areas as defined in Division 2 of this Article~~ sites designated in the Coastal Plan as consolidated oil and gas processing sites:

SECTION 7

New Section 35-159, Consolidated Pipeline Terminals, is hereby added to DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code 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, 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) oil storage facilities;
- 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) produced water disposal equipment;
- 10) 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 and/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 (MC-R) 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 new or modified facilities are to be located at a County-designated consolidated pipeline terminal.
- b. The new or modified facilities will use, to the maximum extent feasible, existing ancillary facilities at the consolidated site.
- c. Avoidance of significant adverse impacts or application of feasible mitigation measures renders the new or modified facility fully compliant with the policies of the Coastal Act and Local Coastal Program.
5. Development Standards. In addition to the regulations of the applicable zoning district, the following standards apply to new or expanded consolidated pipeline terminals.
- a. Total oil storage capacity shall be limited to the minimum amount necessary to accommodate reasonably foreseeable needs. Total oil storage capacity at the Gaviota Consolidated Pipeline Terminal shall not exceed 130,000 barrels.
- b. The level of noise generated by the facility, measured outside the property boundary, shall not exceed 70 dB(A).
- c. The permittee shall obtain all necessary permits from other agencies before commencing operations.
- d. 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.
- e. Visual impacts shall be mitigated to the extent necessary to comply with the policies and regulations of the Coastal Act and the County's LCP. New or modified facilities shall be sited and designed to avoid adverse visual impacts, protect views to and along the ocean and scenic coastal areas, and be visually compatible with the surrounding area. 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.
- f. 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.
- g. Adequate provision shall be made to prevent on-site or off-site erosion and flood damage.
- h. New or modified facilities shall be designed and located to avoid significant adverse impacts to known or potential significant habitat for locally rare or regionally endemic and to comply with the policies and regulations of the Coastal Act and the County's Local Coastal Program (LCP). Environmentally sensitive resources shall be protected in accordance with policies in Section 3.9 of the Coastal Land Use Plan.
- i. Risks of oil spills and associated impacts shall be mitigated to the extent necessary to comply with the policies and regulations of the Coastal Act and the County's LCP. New or modified facilities shall be designed and operated to protect against the spillage of crude oil, petroleum products, or hazardous substances. Effective containment and clean-up shall be provided for accidental spills that do occur. 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.
- j. 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.
- k. 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.
- l. All transportation of natural gas liquids shall be accomplished in accordance with County-approved practices to protect public safety.
- m. Archaeological and historical resources shall be protected in accordance with Section 3.10 of the Coastal Land Use Plan and Division 3, Section 35-65 of the Coastal Zoning Ordinance. Where adverse impacts to archaeological and historical resources cannot be avoided, reasonable mitigation shall be required and designed in accordance with the guidelines of the State Office of Historic Preservation and the State of California Native American Heritage Commission.
- n. 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.
- o. 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.

SECTION 8

Section 35-170.2, Applicability, of DIVISION 9 (OIL AND GAS FACILITIES) of Article II of Chapter 35 of the Santa Barbara County Code is hereby amended to read as follows:

Sec. 35-170.2. Applicability.

Section 35-170 shall apply to the following land uses within the unincorporated area of the County:

1. All permitted uses defined in Sections 35-154, 35-155, 35-156, ~~and~~ 35-158, and 35-159 of this Chapter that handle, or at one time handled, oil natural gas, natural gas liquids, produced water, or waste water that originated from an offshore reservoir, regardless of whether these uses were permitted in accordance with this Chapter or any preceding ordinance.

SECTION 9

Except as amended by this ordinance, Article II of Chapter 35 of the Code of the County of Santa Barbara, California, shall remain unchanged and shall continue in full force and effect.

SECTION 10

This ordinance and any portion of it approved by the Coastal Commission shall take effect and be in force thirty (30) days from the date of its passage or upon the date that it is certified by the Coastal Commission pursuant to Public Resources Code 30514, whichever occurs later. Before the expiration of fifteen (15) days after its passage, the ordinance, or a summary of it, shall be published once, with the names of the members of the Board of Supervisors voting for and against the same in the SANTA BARBARA NEWS PRESS, a newspaper of general circulation published in the County of Santa Barbara.

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PASSED, APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, this 14th day of March 2006, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Joni Gray, Chair, Board of Supervisors
County of Santa Barbara

ATTEST:

MICHAEL F. BROWN
Clerk of the Board of Supervisors

By _____
Deputy Clerk

APPROVED AS TO FORM:

SHANE STARK
County Counsel

By _____
Deputy County Counsel

EXHIBIT E

**CEQA Findings for Acceptance of Final
Negative Declaration 05NGD-00000-00025**

California Environmental Quality Act (CEQA) Findings

A. Consideration of the Negative Declaration

The Final Negative Declaration (05NGD-00000-00025/SCH #2005111102) was presented to the Planning Commission and all voting members of the Commission reviewed and considered the Negative Declaration prior to recommending Board of Supervisors' approval of this proposal. All voting Supervisors also have reviewed and considered testimony and additional information presented at or prior to the public hearing. The Negative Declaration reflects the independent judgment of the Board of Supervisors and is adequate for this proposal.

B. Full Disclosure

The Board of Supervisors hereby accepts the Final Negative Declaration based on the ability to make the following findings: (1) the Final Negative Declaration constitutes a complete, accurate, adequate, and good faith effort at full disclosure under CEQA; and (2) the Final Negative Declaration has been completed in compliance with CEQA.

C. Location of Record of Proceedings

The documents and other materials that constitute the record of proceedings upon which this decision is based are in the custody of the Director of the Planning and Development Department, 123 East Anapamu Street, Santa Barbara, CA 93101 and the Clerk of the Board of Supervisors at 105 East Anapamu Street, Santa Barbara, CA 93101.

D. Finding of No Significant Impact

Based on the information and analysis presented in the Final Negative Declaration and the testimony presented at the public hearings, the Board of Supervisors finds that the proposed plan and ordinance amendments will not have a significant effect on the environment.

EXHIBIT F

**Legislative Findings for Adoption of Amendments to the Santa Barbara
County Coastal Plan, Land Use Element, and Articles II and III of the
Santa Barbara County Code**

Legislative Findings

Findings Required for Approval of Comprehensive Plan and Zoning Ordinance Amendments

Pursuant to Sections 35-180.6 of the Coastal Zoning Ordinance (Article II) and 35-325.5 of the Inland Zoning Ordinance (Article III), the following findings are made:

A. The request is in the interest of the general welfare.

In adopting consolidation policies and ordinance amendments in 1987, the Board of Supervisors found that the consolidation of oil and gas facilities along the south coast would “protect the community welfare by preserving the rural integrity of the south coast areas.” The proposed amendments are in the interest of the public welfare because, while still providing for foreseeable energy-related development, they promote further consolidation of oil and gas processing at one site along the South Coast and will facilitate eventual abandonment and removal of industrial facilities (storage tanks) south of Highway 101 at Gaviota, restoring some of the site’s rural integrity and providing potential opportunities for additional recreational development in the vicinity. Thus, we find that adoption of the proposed policy and ordinance amendments is in the interest of the general welfare.

B. The request is consistent with the Comprehensive Plan, the Coastal Land Use Plan, the requirements of State planning and zoning laws, and Articles II and III of the County Code.

The proposed policy and ordinance amendments are in conformance with applicable state planning and zoning laws. Approved amendment procedures as prescribed in the County’s adopted General Plan and Local Coastal Program have been followed and public hearing and noticing requirements have been met. The proposed text amendments include similar language as appropriate for the Coastal Zoning Ordinance and Inland Zoning Ordinance to ensure consistency between the two documents. In addition, text changes within the Coastal Zoning Ordinance have been made to ensure internal consistency.

The proposed amendments also are consistent with the County’s objectives of maintaining up-to-date planning documents as the amendments reflect current oil and gas processing operations and allow for reasonable future development of processing and storage capabilities, if needed. Therefore, we find that the proposed amendments are fully consistent with the Comprehensive Plan, Coastal Land Use Plan, State planning and zoning laws, and Articles II and III of the County Code.

C. The request is consistent with good zoning and planning practices.

The County's oil and gas consolidation policies were initially adopted to provide guidance for siting industrial facilities associated with offshore oil and gas development at a limited number of suitable locations and under appropriate conditions, consistent with the CCA and good planning practice. The proposed ordinance and policy amendments update and strengthen the County's consolidation policies by removing provisions for developing processing and storage facilities that are no longer needed while maintaining opportunities for future development where necessary. In addition, these amendments have been proposed and evaluated pursuant to the County's adopted procedures for modifying its Comprehensive Plan, including public participation and environmental review. Therefore, we find that maintaining up-to-date policies and zoning requirements regarding development of industrial facilities within the County is consistent with good zoning and planning practice.

In addition to the CEQA findings (Attachment E) and the findings for Articles II and III text amendments above, we also make the following legislative findings with regard to the one-site consolidation policy and consistency with the California Coastal Act.

A. In adopting these policy and ordinance amendments, The Board of Supervisors recognizes the following intents and purposes:

1. To ensure that the health, safety, and welfare of the public is protected in all phases of oil and gas processing, storage, and transportation;
2. To protect and prudently manage the natural resources and environment of the County's Coastal Zone;
3. To minimize industrialization and maintain orderly development within rural areas of the Coastal Zone by optimizing consolidation of oil and gas processing and transportation facilities and sites;
4. To ensure that sites already designated for consolidated oil and gas processing are used as efficiently as possible;
5. To facilitate the clean-up (remediation) and gradual phase-out of sites and facilities developed for oil and gas processing, storage, and/or transportation that are no longer needed or used for such activities so as to provide for eventual re-use of the sites/facilities for non-petroleum related uses.

B. Findings for Removal of the Consolidated Processing Site Designation from the Gaviota Site

1. Good planning practice and safety, land-use, and environmental considerations require that industrial sites be discouraged in rural and highly scenic areas of the Coastal Zone and that oil and gas processing facilities be consolidated to the extent feasible and located at the minimum number of sites necessary to accommodate reasonably foreseeable future needs.
2. Offshore oil and gas production that is processed onshore in the South Coast Consolidation Planning Area (SCCPA) can be accommodated at the Las Flores Canyon Consolidated Oil and Gas Processing Site. This finding is based on:

The Point Arguello Unit operator's reconfiguration of its operations in 1998--2000 which included (1) processing of raw natural gas and shipment of only sweet gas to the onshore Gaviota Consolidated Oil and Gas Processing Facility to generate electrical power that is either used onsite or sold to the grid; (2) processing of produced oil on the platforms instead of at the Gaviota facility and shipment of sales-quality crude oil to Gaviota for heating and shipment to refineries via the Plains/All American Pipeline; and, (3) reinjection at the platforms of produced water that does not meet federal discharge standards. The current operations at the Gaviota facility are to reheat the oil for further pipeline transport, generate electrical power and heat using the sweet sales gas from the Point Arguello platforms, and pipeline monitoring. In 2002, the County approved the operator's request to remove all unused processing equipment from the onshore Gaviota facility and much of that equipment has been dismantled and removed from the site.

The likelihood that onshore processing facilities would be needed in the future at Gaviota or another onshore site on the Gaviota coast is low. Lessees of the currently undeveloped leases in the Bonito, Rocky Point and Sword Units in the vicinity of the Point Arguello Unit and the operator of the Point Arguello Unit have represented that, should these leases be developed, such development would occur from existing Point Arguello platforms and would be processed and shipped in the same general manner that Point Arguello crude oil and natural gas are handled.

3. The amended consolidation policies do not preclude the potential to develop additional processing capacity inside or outside the SCCPA. The uncertainty of future production volumes and preferred processing locations indicates that specific potential onshore sites need not be identified at this time. Additional sites may be considered, if needed in the future, through the planning and zoning process.

C. Finding for designation of the Gaviota Site as a Consolidated Pipeline Terminal.

Since oil and gas processing capabilities were removed from the Gaviota site, it has been operated solely as a pipeline terminal. Oil production from the Point Arguello Unit is processed at the offshore platforms and transported to the Gaviota site for heating, metering, and storage prior to transport through the Plains/All American Pipeline to refinery destinations outside of the County. The designation of the Gaviota site as a Consolidated Pipeline Terminal provides for the continuation of this activity and includes the potential for additional storage capacity to be developed at the site, should it be needed in the future for the current operator and/or consolidated users. The designation of Consolidated Pipeline Terminal for the Gaviota site reflects current and reasonably foreseeable uses of the site to support offshore oil and gas development in the SCCPA.

D. Findings for Repeal of the Tank Farm Siting Policies

1. Repeal of the tank farm siting criteria will have the effect of maximizing use of the Consolidated Pipeline Terminal site at Gaviota, as well as the existing consolidated sites in Las Flores Canyon. The proposed amendments provide for adequate additional storage capacity at the Gaviota Pipeline Terminal, if needed in the future. The Gaviota facility currently is permitted to add 40,000 barrels of new storage to the existing 50,000. The amendments provide for another 40,000 barrels of storage that could be permitted at the site. Based on current and projected future oil production volumes, this 130,000 barrels of total storage capacity at the newly designated Consolidated Pipeline Terminal will be adequate for the SCCPA.
2. In the North County, repeal of the tank farm siting criteria will continue previous County efforts to focus future oil and gas processing and oil storage inland of the Coastal Zone if leases offshore northwestern Santa Barbara County were developed.

E. Findings of Consistency with the California Coastal Act

1. The policy and ordinance amendments proposed herein are fully consistent with, and promote efficient implementation of, the California Coastal Act (CCA). The CCA forms part of the California Coastal Management Program (CCMP) and, as such, seeks to balance competing uses of natural resources when establishing and implementing policies for management of coastal land use. In conformance with the U.S. Coastal Zone Management Act, the CCA extends priority consideration to certain coastal uses, which largely entail facilities related to national defense, energy, fisheries, recreation, ports and transportation.

2. As noted above, repeal of the consolidated processing site designation from the Gaviota site will not preclude reasonable future opportunities for oil and gas processing within the SCCPA. The Las Flores Canyon consolidated site has additional processing capacity and sites outside of the SCCPA could be made available for new processing facilities, should the need arise in the future. For example, the Lompoc Oil and Gas Plant is a consolidated use and potentially could provide processing capability for new production offshore the North County. In addition, there are suitable sites in the North County where new processing facilities could be permitted if existing facilities could not accommodate new production. Thus, reasonable new processing capacity could be permitted and made available if necessary to accommodate the CCA's priority energy uses.
3. Repeal of the tank farm siting policies, along with the designation of the Gaviota site as a Consolidated Pipeline Terminal would not affect the continued provision of adequate oil storage capacity within the SCCPA. Based on the evidence, 130,000 barrels of storage capacity at the Gaviota site, as allowed in the proposed amendments, will be adequate for the foreseeable future storage needs along the South Coast. Development of additional oil storage capacity in the North County, outside of the Coastal Zone, would not be precluded by the proposed amendments.
4. The proposed plan and ordinance amendments would not interfere with the provision of support facilities necessary for future oil and gas development offshore Santa Barbara County and would serve to direct such development to suitable sites outside the Coastal Zone. Thus, they are fully consistent with both the environmental protection policies and the priority consideration accorded energy facilities in the CCA.

EXHIBIT G

Planning Commission Staff Report, January 25, 2006

(Includes Final Negative Declaration 05NGD-00000-00025)

(Negative Declaration available at upon request at Energy Division, 805-568-2506 or at <http://www.countyofsb.org/energy/documents/policies/FinalGavNorthND.pdf>)

EXHIBIT H

**Planning Commission Action Letter re:
Consolidation Policies Update, January 25, 2006**

TO THE HONORABLE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, CALIFORNIA

PLANNING COMMISSION
HEARING OF JANUARY 25, 2006

**RE: Oil and Gas Facility Consolidation, 04GPA-00000-00016, 04GPA-00000-00017,
04ORD-00000-00018, 04ORD-00000-00019**

The Planning and Development Department requests that the Planning Commission recommend to the Board of Supervisors approval of Comprehensive Plan and Zoning Ordinance amendments to re-designate consolidated oil & gas production, processing, and pipeline terminal sites within the County's Coastal Zone and establish permitting requirements for Consolidated Pipeline Terminals. The proposed amendments would have County-wide application, however, directly affected parcels are APNs 081-130-070, -068, and -053, in the Gaviota area. These amendments are related to locating onshore oil and gas operations within the Coastal Zone and include: Establishment of a new designation of Consolidated Pipeline Terminal, along with permitting requirements, and designation of the current site of oil and gas operations on the north side of U.S. 101 at Gaviota (APN 081-130-070) as a Consolidated Pipeline Terminal; Repeal of the Consolidated Oil and Gas Processing Site designation at Gaviota; Repeal of the criteria for siting new oil storage facilities (tank farms) within the Coastal Zone, and Repeal of the definition of the Gaviota and Las Flores Canyon Consolidation Planning Areas.

Dear Honorable Members of the Board of Supervisors:

At the Planning Commission hearing of January 25, 2006 Commissioner Montgomery moved, seconded by Commissioner Cooney and carried by a vote of 5-0 to:

1. Adopt Planning Commission Resolution 06-01 as presented in Attachment A of the staff report dated January 11, 2006, as amended at the January 25, 2006 Planning Commission hearing; and
2. Transmit Recommendations 1 through 5 as presented in the January 11, 2006 staff report to the Board of Supervisors.

Recommendations 1 through 5 in the January 11, 2006 Planning Commission staff report are as follows:

1. Amend the text of Chapter 3.6, "Industrial and Energy Development, of the Santa Barbara County Coastal Plan, as follows:

- a. Revise the preamble to Oil and Gas Processing Facilities to remove descriptive text that is no longer accurate.
- b. Revise Policy 6-6D, Consolidation of Oil and Gas Processing Sites in the South Coast Consolidation Planning Area to repeal the Consolidated Oil and Gas Processing Site designation of the former Gaviota oil and gas processing site.
- c. Repeal Policies 6-13A through 6-13D and the accompanying preamble, thereby deleting criteria for siting new oil tank farms in the Coastal Zone.
- d. Add new Policies 6-13A through 6-13C, including a brief preamble, that define and address the consolidation of pipeline terminals that support offshore oil and gas development.
- e. Revise text in Sections 6-5B.2 and 6-5C for consistency with actions b, c, and d, above.

- 2. Amend the *Goals and Policies* chapter of the Santa Barbara County Land Use Element as follows:**
 - a. Revise South Coast Policy 5 to repeal the Consolidated Oil and Gas Processing designation of the former Gaviota oil and gas processing site.
- 3. Amend Article II (Coastal Zoning Ordinance), Chapter 35 of the Santa Barbara County Code as follows:**
 - a. Amend Division 2 (Section 35-58) and Division 9 (Sections 158.1.a and 158.2), deleting the definition of “GAVIOTA AND LAS FLORES CANYON CONSOLIDATED OIL AND GAS PLANNING AREAS” and references to the Gaviota site as a consolidated oil and gas processing site.
 - b. Amend Division 4, Section 35-69.4 (Uses Permitted with a Major CUP – AG-II Agriculture II), by deleting reference to Gaviota as a consolidated oil and gas processing site, and adding a new reference to Consolidated Pipeline Terminal.
 - c. Amend Division 9, Sections 35-150.1.2, 35-154.4B.d to delete reference to Gaviota as a consolidated oil and gas processing site.
 - d. Amend Division 9, Section 35-157, to distinguish in-line pump stations from pipeline terminals.
 - e. Amend Division 9, Section 35-158 to provide for onshore exploration and production of offshore oil and gas reservoirs only from designated consolidated oil and gas processing sites and to delete references to “CONSOLIDATED PLANNING AREAS.”
 - f. Amend Division 9 by adding new Section 35-159 (Consolidated Pipeline Terminals).
- 4. Amend Division 8 of Article III (Inland Zoning Ordinance), Section 35-296.4B.4 to delete reference to Gaviota as a consolidated oil and gas processing site.**
- 5. Accept the CEQA document, Negative Declaration 05NGD-00000-00025, included as Attachment B of the staff report dated January 11, 2006, as adequate environmental review for the proposed plan and ordinance amendments.**

REVISIONS TO EXHIBIT E,
PLANNING COMMISSION RESOLUTION 06-01

Section 1.A.5 (intents and purposes), language is added:

5. To facilitate the clean-up (remediation) and gradual phase-out of sites and facilities developed for oil and gas processing, storage, and/or transportation that are no longer needed or used for such activities so as to provide for eventual re-use of the sites/facilities for non-petroleum related uses.

Sincerely,

Steve Chase
Secretary Planning Commission

xc: Case File: 04GPA-00000-00016, 04GPA-00000-00017, 04ORD-00000-00018, 04ORD-00000-00019
Planning Commission File
Records Management
Steve Chase, Deputy Director, Development Review
Owner: David Rose, Plains Exploration and Production Company, 201 S. Broadway, Orcutt, CA 93455
Owner: Richard Woodall, Inc., P.O. Box 9513 Bakersfield, CA 93389
William Dillon, County Counsel
Doug Anthony, Interim Deputy Director, Energy Division
Nancy Minick, Supervising Planner

Attachments: **Planning Commission Resolution 06-01**

Exhibit A – Proposed Textual Amendments to the Santa Barbara County Coastal Plan Chapter 3.6 – Industrial and Energy Development.

Exhibit B – Proposed Textual Amendments to the Santa Barbara County Comprehensive Plan Land Use Element.

Exhibit C – Textual Amendments to Article II (Coastal Zoning Ordinance) of Chapter 35 of the Santa Barbara County Code.

Exhibit D – Textual Amendments to Article III (Inland Zoning Ordinance) of Chapter 35 of the Santa Barbara County Code.

Exhibit E – Legislative and CEQA Findings for Adoption of Consolidation Policies and Ordinance Amendments.

SC:tlc

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” 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 parallel 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.~~

Paragraph 6:

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 text in Section 3.6.4, LAND USE PLAN PROPOSALS, Oil and Gas Wells, Paragraph 5 to read as follows:

Where

Oil and gas wells dedicated solely to exploration or production of onshore oil and gas fields are permitted in Coastal Dependent Industry and Agriculture II designations and are conditionally permitted uses in Mountainous Areas, Open Lands, Rural Residential, and all other industrial classifications (refer to Table 3-1). Oil and gas wells dedicated to exploration or production of offshore oil and gas fields are permitted in Coastal Related Industry and Agriculture II designations only within the ~~Gaviota and Las Flores Canyon Consolidated Planning Areas~~ *Oil and Gas Processing Site* as specified in policies 6-5B and 6-5C. By retaining the AG-II designation within the Consolidated ~~Planning Areas~~ *Oil and Gas Processing Site*, the County limits the use of industrially zoned (MC-R and MC-D) areas within the Consolidated *Oil and Gas Processing Site* Sites available for processing facilities; and also, by allowing exploration and production ~~on~~ *in* AG districts, but not processing, the County provides for the separation of processing and production to accommodate safety concerns.

Revise Policy 6-5B.2 to read as follows:

3. The voter approval requirement set forth in Section 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 Policy 6-5C to read as follows:

Policy 6-5C: Exploration or production of offshore oil and gas reservoirs (including reservoirs which traverse the mean high tide line) from onshore sites shall be restricted to locations within the Las Flores Canyon ~~and Gaviota Consolidated Oil and Gas Planning Areas~~ Processing Site which ~~are comprised of~~ comprises the parcels identified in Policy 6-5B.2 above. Such exploration and production is compatible with AG-II and MC-R designated land uses within ~~these two~~ this Consolidated ~~Planning Areas~~ Oil and Gas Processing Site.

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 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):~~

- ~~11) Air Quality;~~
- ~~12) Cultural Resources;~~
- ~~13) Geology and Soils;~~
- ~~14) Habitat Quality;~~
- ~~15) Land Use;~~
- ~~16) Marine Ecology;~~
- ~~17) Noise;~~
- ~~18) Safety;~~
- ~~19) Species of Special Concern; and~~
- ~~20) 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:~~

- ~~3) The facility shall not have a significant visual impact.~~

- 4) ~~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:~~

- 6) ~~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;~~
- 7) ~~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;~~
- 8) ~~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;~~
- 9) ~~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.~~
- 10) ~~No significant cultural resources shall be adversely affected.~~

~~11)~~

~~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 and 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 modified oil storage tanks at a designated Consolidated Pipeline Terminal shall be located and designed so as to avoid significant adverse impacts and shall be in compliance with the policies and regulations of the Coastal Act and Local Coastal Program.

**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 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 two definitions 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.~~

~~SOUTH COAST CONSOLIDATED OIL AND GAS PROCESSING SITE SITES: The site sites supporting the Las Flores Canyon Oil and Gas Processing Facility (The the industrially zoned portions of APNs 81-220-14 and 81-230-19), and the Gaviota Oil and Gas Processing facility (APNs 81-130-07, 81-130-53, and the industrially zoned portion of APN 81-130-52). Any new oil and gas production from offshore reservoirs or zones that is processed within the SCCPA must be processed at these two sites this site.~~

Revise Division 4, Section 35-69.4 by revising subsection 9 and adding subsection 10 as follows:

Sec. 35-69. AG-II Agriculture II

4. Uses Permitted with a Major Conditional Use Permit.

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 Processing Site Planning Areas~~, subject to the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

10. Consolidated pipeline terminal, subject to being designated for such use in Policy 6-13A and B of the Coastal Plan and the requirements set forth in DIVISION 9, OIL & GAS FACILITIES.

Revise Section 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.~~

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, Sections 35-158.1.a and 35-158.2 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.*
2. Permitted or Conditionally Permitted Districts.

Exploration and production of oil and gas resources is permitted or conditionally permitted in the following Districts contained within the ~~Gaviota and Las Flores Canyon Consolidated Planning Areas as defined in Division 2 of this Article~~ *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, 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) *oil storage facilities;*

- 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) produced water disposal equipment;
 - 10) 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 and/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 (MC-R) 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 new or modified facilities are to be located at a County-designated consolidated pipeline terminal.
 - b. The new or modified facilities will use, to the maximum extent feasible, existing ancillary facilities at the consolidated site.
 - c. Avoidance of significant adverse impacts or application of feasible mitigation measures renders the new or modified facility fully compliant with the policies of the Coastal Act and Local Coastal Program.
5. Development Standards. In addition to the regulations of the applicable zoning district, the following standards apply to new or expanded consolidated pipeline terminals.
- a. Total oil storage capacity shall be limited to the minimum amount necessary to accommodate reasonably foreseeable needs. Total oil storage capacity at the Gaviota Consolidated Pipeline Terminal shall not exceed 130,000 barrels.
 - b. The level of noise generated by the facility, measured outside the property boundary, shall not exceed 70 dB(A).
 - c. The permittee shall obtain all necessary permits from other agencies before commencing operations.
 - d. 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.

- e. Visual impacts shall be mitigated to the extent necessary to comply with the policies and regulations of the Coastal Act and the County's LCP. New or modified facilities shall be sited and designed to avoid adverse visual impacts, protect views to and along the ocean and scenic coastal areas, and be visually compatible with the surrounding area. Potential mitigation measures may include:
- 8) Location and alternative tank configurations (e.g., one large tank versus multiple smaller ones);
 - 9) Buffer strips and depressions, natural or artificial;
 - 10) Screen planting and landscaping continually maintained;
 - 11) Camouflage and/or colors that blend with the surroundings;
 - 12) Lighting positioned, directed, and shielded so as to not directly shine offsite and to minimize offsite glare;
 - 13) Prompt removal or timely painting and upkeep of facilities, tanks, and equipment to prevent deterioration of appearance;
 - 14) Good housekeeping practices.
- f. 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.
- g. Adequate provision shall be made to prevent on-site or off-site erosion and flood damage.
- h. New or modified facilities shall be designed and located to avoid significant adverse impacts to known or potential significant habitat for locally rare or regionally endemic and to comply with the policies and regulations of the Coastal Act and the County's Local Coastal Program (LCP). Environmentally sensitive resources shall be protected in accordance with policies in Section 3.9 of the Coastal Land Use Plan.
- i. Risks of oil spills and associated impacts shall be mitigated to the extent necessary to comply with the policies and regulations of the Coastal Act and the County's LCP. New or modified facilities shall be designed and operated to protect against the spillage of crude oil, petroleum products, or hazardous substances. Effective containment and clean-up shall be provided for accidental spills that do occur. 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.
- j. 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:

- 5) 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
 - 6) If an alternate pipeline does not exist, or exists, but is technically infeasible to utilize; and
 - 7) For that fraction of the oil that cannot feasibly be transported by pipeline; and
 - 8) When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible.
- k. Emergency permits issued in accordance with Section 35-159.5.i. shall adhere to the procedures of Section 35-171 with the following exceptions:
- 3) Emergency permits shall be issued for no more than 90 days and may be renewed if the emergency persists;
 - 4) Permits shall expire when the County determines that the emergency has ended or that it no longer precludes use of the pipeline.
- l. All transportation of natural gas liquids shall be accomplished in accordance with County-approved practices to protect public safety.
- m. Archaeological and historical resources shall be protected in accordance with Section 3.10 of the Coastal Land Use Plan and Division 3, Section 35-65 of the Coastal Zoning Ordinance. Where adverse impacts to archaeological and historical resources cannot be avoided, reasonable mitigation shall be required and designed in accordance with the guidelines of the State Office of Historic Preservation and the State of California Native American Heritage Commission.
- n. 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.
- o. 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, or at Gaviota or Las Flores Canyon, or*

**EXHIBIT E: LEGISLATIVE AND CEQA FINDINGS FOR ADOPTION OF
CONSOLIDATION POLICIES and ORDINANCE AMENDMENTS**

1.0 Legislative Findings

In addition to the CEQA findings and findings for Articles II and III text amendments included in Sections 2.0 and 3.0 of this Exhibit, we also make the following legislative findings with regard to the one-site consolidation policy and consistency with the California Coastal Act.

A. In adopting these policy and ordinance amendments, The Board of Supervisors recognizes the following intents and purposes:

1. To ensure that the health, safety, and welfare of the public is protected in all phases of oil and gas processing, storage, and transportation;
2. To protect and prudently manage the natural resources and environment of the County's Coastal Zone;
3. To minimize industrialization and maintain orderly development within rural areas of the Coastal Zone by optimizing consolidation of oil and gas processing and transportation facilities and sites;
4. To ensure that sites already designated for consolidated oil and gas processing are used as efficiently as possible;
5. To facilitate the clean-up (remediation) and gradual phase-out of sites and facilities developed for oil and gas processing, storage, and/or transportation that are no longer needed or used for such activities so as to provide for eventual re-use of the sites/facilities for non-petroleum related uses.

B. Findings for Removal of the Consolidated Processing Site Designation from the Gaviota Site

1. Good planning practice and safety, land-use, and environmental considerations require that industrial sites be discouraged in rural and highly scenic areas of the Coastal Zone and that oil and gas processing facilities be consolidated to the extent feasible and located at the minimum number of sites necessary to accommodate reasonably foreseeable future needs.
2. Offshore oil and gas production that is processed onshore in the South Coast Consolidation Planning Area (SCCPA) can be accommodated at the Las Flores Canyon Consolidated Oil and Gas Processing Site. This finding is based on:

The Point Arguello Unit operator's reconfiguration of its operations in 1998--2000 which included (1) processing of raw natural gas and shipment of only sweet gas to the onshore Gaviota Consolidated Oil and Gas Processing Facility to generate electrical power that is either used onsite or sold to the grid; (2) processing of produced oil on the platforms instead of at the Gaviota facility and shipment of sales-quality crude oil to Gaviota for heating and shipment to refineries via