

Chairman Joe Centeno Board of Supervisors County of Santa Barbara 105 E. Anapamu Street Santa Barbara, CA 93101

RE: Rezone of Key Site 16

Dear Chairman Centeno and Members of the Board:

As owners of the majority of Key Site 16 in Orcutt, we would like to thank you for considering rezoning this site from Shopping Center to the new Multifamily Residential-Orcutt (MR-O) Zone District as part of the housing element update.

The Environmental Impact Report (08-EIR-00005) prepared as part of the Focused Rezone Program shows that this site is suitable for multi-family housing. Based on our experience in real estate development and the preliminary analysis of our consultant team which has reviewed the site and considered the environmental, topographic slope and design guidelines and setbacks, we are confident that 210 units could be accommodated on the site. (See Attachment "B") It is our belief that residential development of this site, immediately adjacent to Old Town Orcutt could provide a boost to both the efforts at commercial and economic development in the area. We look forward to working with the County and the community to develop a high quality, appropriate multi-family project gateway to Old Town Orcutt.

BreitBurn has over 10 years of experience working with local communities and government agencies in redeveloping areas associated with our oilfields and previous oil operations. BreitBurn has the resources, the expertise and the team to develop this site in accordance with the wishes and the desires of the community, as expressed in the proposed rezone plan.

In partnerships with different communities we have facilitated the remediation, relocation of infrastructure, entitlement and development of over 80 acres associated with our oil operations. For the last 10 years we have partnered with the City of Santa Fe Springs in a 50/50 private entity - public agency partnership called the Oil Field Reclamation Project (O.F.R.P.) that has focused on the redevelopment of our oilfield which is located in the heart of that city. One of the projects accomplished with this partnership involved remediation of 39 former sump and tank farm areas, the relocation of pipelines and other infrastructure, the removal of old pipelines and infrastructure associated with approximately 160 abandoned wells in order to provide for the development of 554 residential units. That project is now under construction. (See Attachment "C")

BREITBURN LAND COMPANY LLC

I would like to take this opportunity to correct the record on some of the issues that have been raised about Key Site 16.

Land Use – The EIR clearly states, and we agree, that Key Site 16 presents fewer land use conflicts than Key Site 30. Both Key Site 16 and Key Site 30 have had oil operations in the past that must be mitigated and potentially remediated. Key Site 30 was the site of at least one active, producing oil well. According to state records, Key Site 16 has never had any known oil well drilling activities. There are three suspected former sump areas, but to our knowledge these have never been confirmed. In any event, whether or not any sumps were ever on the property or remain on the property, such sites can be easily tested and remediated to residential standards as needed.

It has been asserted that because Key Site 16 is adjacent to the Conoco-Phillips pumping station that this site would be incompatible for multi-family housing. This is incorrect. Many areas of Southern California are built upon, or are adjacent to active oil operations (See Attachment "D"). BreitBurn has expertise in creating facilities that allow this type of use to nicely co-exist with multi-family housing. At our West Pico Facility, located in West Los Angeles (adjacent to Beverly Hills) we operate an approximately 2 acre oil and gas facility that has approximately 60 wells, a drilling and workover rig, and a full production facility that operate 24 hours a day, seven days a week. It is a state of the art, sound proofed and environmentally designed facility which has far less adverse impact on our residential neighbors than other adjacent to the facility (some units as close as 20 feet away) and have no problem with these two uses co-existing without any problems. (See Attachment "E").

We have the proven ability to create an environment and design that would mitigate any concerns about the site location. We look forward to the opportunity to work with the North County Board of Architectural Review, our neighbors and the Orcutt Community to develop a design that is appropriate to the site and in keeping with the existing and proposed Key Site 16 Development Standards and create an attractive and appropriate gateway to Old Town Orcutt.

<u>Hazards and Hazardous Materials</u> – as stated in this section of the EIR, "Overall, impacts related to hazards and hazardous materials would be less than the proposed project under the alternative." It also goes on to say, "As with the proposed project, further environmental analysis including soil sampling, and groundwater sampling and remediation would be required to reduce potential impacts to less than significant levels."

BreitBurn has the expertise and experience to remove any hazards or hazardous materials related to prior oil activities.

Development of Key Site 16 (which will not occur absent the rezone) will allow for the removal of numerous abandoned oil pipelines located along Graciosa Creek.

It is also important to note that there is no record that there have ever been oil wells located on Key Site 16 or in fact anywhere near this location. It was stated in the Orcutt Community Plan shows that Key Site 16 had three sumps located on this property, however, as there has never been any oil wells drilled on this site, it is currently unknown if this information is in fact correct.

If there are in fact oil sumps on the site, BreitBurn's experience in remediating sumps demonstrates, they will be relatively easy to remediate. Typically, sumps were filled with drilling muds that coat the bottom and sides of the sump – they became in essence a lined pit. The mud does not allow much migration of materials so the impacted area is relatively shallow with a small footprint. Remediation generally involves removal of the drilling mud and surrounding dirt, and proper disposal at a licensed facility. Our experience on Orcutt Hill, which was previously owned and operated by the same oil company as our section of Key Site 16, is that many of the mapped sumps had already had the drilling muds and any contaminants removed from the site prior to our purchase. So if the drilling mud was dug out and removed the majority (if not all) of the contaminants would already have been removed from the site. In any instance, as part of the development plan, all soils will be tested and if contaminants exist, BreitBurn and our consultants have the expertise to remediate them to residential standards. (See Attachment "F")

It is BreitBurn's standard practice to obtain Environmental Insurance policies on our property prior to development. Standards imposed by insurers prior to issuing such policies are very stringent, and ensure that 3rd party insurers and their underwriters are also comfortable that all remediation has been completed, thus adding an extra layer of protection to the County and general public.

The potential existence of oil sumps on Key Site 16 does not make this site incompatible with residential development. In fact, the statement in the EIR that "Overall, impacts related to hazards and hazardous materials would be less than the proposed project under the alternative" indicates that if the sumps exist and are remediated to reduce potential impacts to less than significant levels then this site would pose less risk of hazards and hazardous materials then the original proposed project.

Health, Safety and Environmental Challenges – it has been suggested that re-zoning Key Site 16 would somehow be an open invitation for groups to pursue litigation in an effort to ensure that poor and minority communities do not bear greater exposure to environmental pollution than other communities. This comment seems disingenuous – as stated in the EIR – the impacts related to hazards and hazardous materials would be *less than the proposed project* under the alternative.

<u>Seismic, Soil and Landslide Hazards</u> – as per the attached letter, we have preliminarily reviewed the site using the flood control topographic information and believe that there should be no issues that cannot be mitigated on this site dealing with these hazards. (See Attachment "G")

<u>Adequacy of the EIR</u> – it has been asserted by opponents of the rezone of Key Site 16 that the environmental analysis provided in the EIR and Findings is inadequate. We respectfully disagree. The proposed Findings and Mitigation Monitoring Plan, based on the review and analysis provide in 08EIR-00005, and the October 15, 2008 and November 12, 2008 Revision Letters, ensure full compliance with the requirements of the California Environmental Quality Act.

<u>**Other Issues**</u> – Individuals associated with another Key Site have asserted that the County proposes to rezone Key Site 16 with the expectation that affordable housing will not be developed on the site. I want to assure you that should the local community desire such a project to proceed and the county rezones this site, BreitBurn Land will actively work with the County and the community towards achieving that goal.

Again, thank you for your consideration of the rezoning of Key Site 16.

Sincerely,

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W. Jackson Washburn President BreitBurn Land Company LLC



105-33

Frank Thompson, Housing Consultants 1108 De La Vina Street #B Santa Barbara, CA 93101

January 22, 2009

Mr. W. Jackson Washburn, President BreitBurn Land Company, LLC 515 S. Flower Street, Suite 4800 Los Angeles, CA 90071

RE: Orcutt Key Site 16, East Clark Avenue at Marcum Street

Dear Mr. Washburn,

It was a pleasure discussing the potential development of 200-220 new dwelling units on Orcutt Key Site 16, approximately 11.6 acres of flat and west-sloping land near Old Town Orcutt.

I have recently viewed the site and reviewed flood control, topographic and other data on the site and surrounding areas. I believe that the site could be developed with a mixture of housing types to achieve an overage average density of 20 units per acre, and that a development that includes a mix of unit types would have better market acceptance in Orcutt than a development containing 210 apartments of a single unit type.

I have been involved in the recent development, repositioning, and sale of four large apartment communities (147, 204, 262 and 305 dwelling units), so I am very familiar with the objectives of the owners, managers, and financing institutions for this type of development. I have 33 years experience with apartment communities, including over \$200 million of development in more than 60 communities, including special needs and senior housing, as well as large family and general occupancy developments. I also have experience with the County of Santa Barbara, long-range planning and understand the needs for County compliance with HCD requirements. I would preliminarily recommend that you focus your efforts on a mixture of housing types, including age restricted senior housing, units designed for one and two person households with modern features, including adequate garage parking, and 1, 2 and 3 bedroom apartment units with children's play areas intended for general family occupancy.

The advantages of modern apartment communities include higher site amenities, greater open space, and better access to parking beneath the buildings, as well as better on-site management, better security features, and much higher energy efficiency than existing apartments in the area. Additionally, a focus on some smaller households helps to relieve impacts of building coverage on the site, and permits better utilization of the open spaces in the project. These open spaces might include setbacks from adjacent non-residential uses, streets and roads, and the natural features of the creek and restored riparian habitat. With increased open space, modern methods of retarding flood flows and promoting on-site recharge are more easily achievable, reducing project impacts, often to a level of insignificance.

The fact that Key Site 16 is immediately adjacent to Old Town Orcutt could provide a boost to both the efforts at commercial and economic development along Clark Avenue and increased amenities and facilities within walking distance of the new dwelling units and households. The higher density of dwellings helps to make pedestrian access to these adjacent commercial areas a reality without relying on private vehicles or even buses.

Thank you for the opportunity to advise you on this transaction.

Sincerely,

Frank Thompson Housing Consultant



BreitBurn Operations – Villages at Heritage Springs, Santa Fe Springs 🙆 😂



Business Park compatible with ongoing oil operations, built

O Oil Well

BreitBurn Operations – Heritage Crossing, Santa Fe Springs



COMPATIBILITY OF OIL PRODUCTION AND COMMUNITY DEVELOPMENT



PREPARED FOR SANTA BARBARA COUNTY SEPTEMBER 2006

COMPATIBILITY OF OIL PRODUCTION AND COMMUNITY DEVELOPMENT



[CHRONOLOGY] [HISTORICAL] [TODAY'S RESIDENTIAL] [RIDGELINE] [COMMERCIAL]



CHRONOLOGY



HISTORICAL DEVELOPMENT

Oil and gas exploration and extraction have been a primary economic force in California since the 1850's when the first early settlers began to arrive and with their discovery of oil seeps. Early retrieving started with oil tunnels and the first oil well was drilled in 1861. By 1865 drilling had begun in earnest.

Along with drilling came jobs and homes in close proximity to the drilling operations. The two institutions have maintained a close compatible relationship throughout California as growth and the population expanded. It was a natural sight to see homes surrounded by oil drilling rigs. As the oil extraction process and technology improved and stream-lined it became possible to consolidate and shift the drilling operations.





Los Angeles / Long Beach Early 1900's







TODAY'S RESIDENTIAL DEVELOPMENT

As oil production technology has modernized, the oil extraction process has become clean and safe. Modern extraction methods have minimized the oil industry's visible presence in communities throughout the state.

Since many of the main oil fields are located near the ocean or on prime land, development has successfully continuted arm-in-arm with oil production.

In many areas, million dollar homes are located in close proximity to oil production facilities. Expansive oil fields sit far below the surface with no recognizable presence in many areas.







TODAY'S RESIDENTIAL DEVELOPMENT



 Of well service being performed on adjacent residential lot

 which will some day become another lot or attractive view park

Uil well service being performed on adjacent residential lot which will some day become another lot or attractive view park (note access to community trail). Homes adjacent to oil wells sell at a premium as oil wells make good neighbors.





Oil sites fit well.... tucked into this famous view park.

RIDGELINE DEVELOPMENT







Oil extraction sites are quite flexible in location. Often they can be located in open space slopes or in adjacent lots.

These adjacent lot locations await eventual closing of the well and become pocket parks or new housing opportunities.

COMMERCIAL DEVELOPMENT





Commercial areas in support of community growth have developed with a similar compatibility with oil production in the state.





BreitBurn Operations – West Los Angeles / Beverley Hills





WATERSTONE ENVIRONMENTAL, INC.

2936 East Coronado Street * Anaheim, CA 92806 714-414-1122 * Fax: 714-414-1166 E:Mail: nberesky@waterstone-env.com

January 22, 2009

Mr. Jackson Washburn BreitBurn Land Company 515 South Flower, Suite 4800 Los Angeles, CA

RE: Oil Field Redevelopment Pertaining to Key Site 16, Orcutt, CA

Dear Mr. Washburn:

Thank you for sending Waterstone Environmental, Inc. (Waterstone) the documents pertaining to the redevelopment proposals for Key Sites 16 and 30. After review of those documents, we believe we could be of some help in clarifying the potential environmental issues associated with oil field clean up in general and Key Site 16 (owned by BreitBurn) specifically.

As you know, Waterstone staff have performed environmental assessment for the past 20 years of hundreds of acres of oil field and cleanup of over 300 acres of oil field property that have since been redeveloped for commercial and residential reuse. We have provided some specifics on our experience with BreitBurn cleanups in a separate letter dated January 19, 2009. Based on that experience, we would like to share the following conclusions we have found to be true for virtually all oil field properties:

- 1. Oil field cleanup may be the least complicated of all environmental cleanups.
 - a. Waterstone has performed numerous toxicological studies during its oil field cleanup projects and has found that crude oil and other chemical compounds associated with oil field production are among the lower toxicity compounds. Crude oil is much less toxic than other common chemicals such as gasoline, paint thinner, dry cleaning solvent, and even some household chemicals. This means that it is less costly to achieve very conservative cleanup goals compared to dry cleaners, underground fuel storage tanks, or other common types of cleanups.
 - b. The low toxicity is due to the fact that crude oil is a naturally-occurring compound. Exploration and production petroleum hydrocarbons compounds (crude oil) are <u>specifically excluded</u> from the definition of hazardous materials by the USEPA.
 - c. Crude oil is not a particularly mobile compound meaning that it does not migrate far into the subsurface. The vast majority of crude oil cleanups can be done simply by excavation.

Mr. J. Washburn Key Site 16 – Oil Field Redevelopment January 22, 2009 Page 2 of 2



- d. Unique to oil field cleanups is the fact that many cleanups can be performed during the site grading process when large scale grading equipment is onsite to move large quantities of earth. This is an effective cleanup methodology that has been approved by oversight agencies and is very cost effective in some cases reducing the cost of the remediation by 70%.
- 2. Many oil operators had a policy of "cleaning up" as sumps and tank farms were abandoned. This means they removed the soil that was crude oil-impacted and disposed of it or used it legally elsewhere on the lease (for roads, for instance). While Waterstone has evaluated by soil sampling literally hundreds of former sump and tank farm locations (located primarily via examination of historical aerial photographs), we estimate that less than 40% of former sump and tank farm locations require cleanup.
- 3. Oil operations by professional oil operators are performed in a manner that is vigilant for leaks or spills. Because crude oil is the sole marketable commodity of oil companies, the vast majority of oil operators are sensitive to "spilling money on the ground."

We have performed an extensive evaluation of BreitBurn's Orcutt Hill oil field to the south of Key Site 16. Waterstone performed sampling on all oil field features that were identified by several previous studies and also performed field inspection and aerial photograph review. After hundreds of soil samples were collected in former well, tank farm, piping, and sump and pit locations, Waterstone concluded that there was no remediation required to bring the site in compliance with residential standards. The Orcutt field is the least impacted oil field property Waterstone has evaluated to date. Waterstone has attributed this to the fact that the oil companies that have operated in the Orcutt area in the past removed sumps and oil soils beneath tank farms as those features were abandoned.

There is NO reason to believe that Site 16 has not been left in the same nearly pristine condition found on the remainder of the much larger Orcutt Hill BreitBurn leases. Even if 3 sumps formerly existed on Key Site 16, it is very likely they were removed. In the unlikely event that remediation is even necessary, it can be expected to be very simple, not very costly, and easy to meet cleanup requirements for a residential reuse scenario. Samples could be collected to confirm or refute this hypothesis in one day with lab results taking two weeks to return.

Please call me if you have further questions at 714-414-1122.

Sincerely,

Nacy Beresky PG Principal Hydrogeologist Waterstone Environmental, Inc.



WATERSTONE ENVIRONMENTAL, INC.

2936 East Coronado Street * Anaheim, CA 92806 714-414-1122 * Fax: 714-414-1166 E:Mail: nberesky@waterstone-env.com

Date: January 19, 2009

Memo To: Interested Parties

Re: Environmental Assessment and Remediation Experience of BreitBurn Energy Company, LP

From: Waterstone Environmental, Inc.

Principal Hydrogeologist

Jeffrey V. Dagdigian, Ph.D. Managing Partner

The purpose of this memo is to document the environmental assessment and remediation experience of BreitBurn Energy Company, LP (BreitBurn) and provide a brief description of projects that Waterstone Environmental, Inc. (Waterstone) has performed on behalf of BreitBurn.

Background

Waterstone competed with other consultants to become BreitBurn's environmental consultant and remediation contractor in 1998. During the past 10 years, Waterstone has worked on numerous projects for BreitBurn from stockpile sampling and due diligence work to large scale, multi-million dollar remediation projects. Waterstone has hundreds of clients and considers BreitBurn our most sophisticated client with regard to BreitBurn management's knowledge of environmental requirements, procedures, and standards.

In addition, our 10+ year relationship with BreitBurn shows that its corporate philosophy is deeply rooted in an ethical and socially-responsible "good neighbor" policy as it prides itself on its position within the community of its oilfield properties. In our history with BreitBurn, we have only known it to display consistency, conservatism, and well-thought-out judgment in its decisions regarding environmental responsibility and remediation requirements.

BreitBurn is very vigilant regarding potential future environmental issues and takes a conservative stance on cleanup. For example, BreitBurn commonly uses residential standards for cleanup although only industrial standards have been required on its industrial re-development projects. This conservative approach to environmental cleanup was determined by BreitBurn to be prudent and responsible although it was more costly to clean up to residential standards. It is the only client we have that consistently evaluates the future risk and has, on the majority of occasions, elected to perform more cleanup than is required.



Experience

BreitBurn management has taken a very active role in the decision-making process and has several managers that are active team members with Waterstone's environmental professionals regarding procedures, calculations of clean up levels, agency negotiation, and steps needed to achieve closure and successful redevelopment. Since 1998, Waterstone has performed the following remediation projects with BreitBurn managers involved as team members:

- Cleanup of 9 acres in Los Angeles Rosecrans Oil Field. Remediated to residential standards 7 former sumps/tank farms. Received closure letter from Los Angeles County Hazardous Materials Management Division CUPA. Site was sold and redeveloped as a Sit N Sleep warehouse.
- Cleanup of ¼ acre former tank farm area in Brea Brea Olinda Oil Field. Remediated tank farm footprint to residential standards. Received closure letter from Orange County Health Care Agency CUPA. Site is used as open space within a residential redevelopment.
- Cleanup of 20 acres in Santa Fe Springs Santa Fe Springs Oil Field. Remediated 5 former sump and tank farm areas to residential standards. Received closure letter from City of Santa Fe Springs Fire Department CUPA. Site has been re-parceled into 8 separate pieces and redeveloped with 8 office/warehouse buildings.
- Cleanup of 54 acres in Santa Fe Springs Santa Fe Springs Oil Field. Remediated 39 former sump and tank farm areas removing approximately 80,000 tons of soil. Received permission to rough grade from City of Santa Fe Springs Fire Department CUPA, closure letters are pending. Site is in the process of re-development for over 500 residential units. Currently, the developer has completed rough grading activities and has emplaced streets, sewers, clubhouse building, pool and spa, and super pads for structures. Home building was planned for 2009 prior to the market downturn.

Closing

BreitBurn has the in-house management and environmental experience to successfully and costeffectively perform assessment and remediation of its oil field properties and has an impressive track record showing new building and property use. Its conservative philosophy in regards to environmental matters has been on display for the past 10 years. Waterstone has identified BreitBurn as its most knowledgeable client on environmental matters and always uses BreitBurn personnel as part of its environmental professional team for BreitBurn projects.

Please call Nancy Beresky, P.G. at 714-414-1122 if you would like further information.

LAND DEVELOPMENT CONSULTANTS

CIVIL ENGINEERS +

SURVEYORS

LAND PLANNERS

January 22, 2009

To: Mr. Jackson Washburn BreitBurn Energy Company 515 South Flower Los Angeles, CA 90017

Re: Response to Urban Planning Concepts (UPC) Letter for Rezone Opportunity Sites & Key Site 30

Dear Mr. Washburn,

Key Site 16, located in the County of Santa Barbara, appears to be a promising opportunity for multi-family housing and community development. Having been a civil engineer for over 28 years, with experience in oil field development for over 10 years throughout California, I respectfully disagree with claims against the development of Key Site 16 addressed by Urban Planning Concepts (UPC) in their letter of December 4, 2008. In my experience, and through examples which can be easily supplied, properties traditionally used for oil operations can and have been successfully remediated and developed for subsequent viable development such as commercial, industrial, and residential uses.

The following are points mentioned by UPC, with our professional assessment and responses:

Land Use, Noise, and Air Quality

Through our experience, any land use (specifically multi-family residential, as mentioned by UPC) adjacent to a pumping station **can** result in compatible development. Many sites have been developed successfully next to such oil operations, with special attention paid during site design to the addition of aesthetic components, appropriate setbacks, and sound wall placement as to generate a cohesive environment for both uses. These features are assessed and implemented through the design process and will minimize any distractions or disadvantages assumed. Based on my extensive experience, air quality issues can and will be adequately addressed, as they have been in many other developments neighboring oil operations throughout Southern California.

Traffic and Circulation

According to the EIR, unlike Key Site 30, Key Site 16 would not result in potentially significant impacts to the local circulation system. Impacts to cumulative traffic would be similar with any of the alternatives selected. Careful site planning and grading of the site, taking into account site distance and sloping, would minimize traffic issues and promote circulation in and around the development. In addition, Key Site 16 is within walking distance of commercial and social amenities in Old Town Orcutt. Key Site 30 is more isolated from such services.

1050 N. TUSTIN AVENUE, ANAHEIM, CA 92807 (714) 630-5770 ~ FAX (714) 630-5773 ~ SCLDCINC@PACBELL.NET

Seismic, Soil, Landslide Hazards and Hazardous Materials

The slope analysis generated by UPC from Flood Control maps with states that "almost 30% of the site has a 15% slope or greater" is incorrect. We do not come to this same conclusion. As part of the site design process, an accurate slope analysis will be conducted, however just a very preliminary review shows the UPC analysis to be incorrect, in addition, once any sumps that may be on the site are removed the slope analysis may change, as these areas will become relatively flat. We recommend and will aid with additional slope analysis after remediation of the site.

Please note, again, that all site issues will be addressed for Key Site 16 during site design and in accordance with the mitigation monitoring plan and Key Site development standards. A soils report and study will be conducted, and it should be acknowledged that the existing oil sumps on this site have been addressed and mentioned in the Orcutt Community Plan already. Oil sumps on this property do **NOT** preclude development of this site under any land use designation.

In conclusion, it is my professional and experienced opinion that Key Site 16 is appropriate for a high density residential development, and that 210 units can be appropriately accommodated on the site. The areas of analysis discussed by UPC in their letter can and will be addressed through the site design process. Key Site 16 is an opportune site for development, and can provide a welcoming appeal as a gateway to Old Town Orcutt from from Highway 1. I am confident we can ensure this development will be beneficial to the community and be visually and aesthetically pleasing to its residents and visitors.

I am pleased to have provided you with our assessments and look forward to working with you in this venture. Should you need any other information or analysis, please contact me at any time. My phone number is (714) 630-5770 ext. 106.

Regards, Hersel M. Zahab, P.

Principal Land Development Consultants scldcinc@pacbell.net