

**City of Culver City, California
Agenda Item Report**

Meeting Date: 06/23/14		Item Number: <u>A-1</u>	
CITY COUNCIL AGENDA ITEM: (1) Adoption of a Resolution Declaring its Intention to Initiate a Specific Plan for the Culver City Portion of the Inglewood Oil Field; and (2) Approval of an Amendment to the Existing Professional Services Agreement with Aspen Environmental Group for the Environmental Review, Analysis and Document Preparation Required by the California Environmental Quality Act (CEQA) for an Additional Not-To-Exceed Amount of \$350,000.			
Contact Person/Dept.: Sherry Jordan/Community Development; and Heather Baker/City Attorney		Phone Number: 310-253-5746; 310-253-5660	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – City Council (06/17/14); (Email) Ongoing Topics – Inglewood Oil Field and Sustainability and Environmental Issues (incl. Oil Drilling/Fracking) (06/05/14 and 06/17/14); (E-Mail) Freeport McMoran (06/05/14 and 06/19/14); (US Mail) Persons owning property in proposed Specific Plan area (06/05/14); (Publication) Culver City News (06/05/14, 06/12/15 and 06/19/14); Posted on City's Inglewood Oil Field webpage (06/05/14)			
Department Approval: Carol Schwab (06/16/14)		City Attorney Approval: Carol Schwab (06/16/14)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/17/14)		City Manager Approval: John M. Nachbar (06/17/14)	
<u>RECOMMENDATION:</u> Staff recommends the City Council (1) adopt a Resolution declaring its intention to initiate a Specific Plan for the Culver City portion of the Inglewood Oil Field; and (2) approve an amendment to the existing professional services agreement with Aspen Environmental Group for the environmental review, analysis, and document preparation required by the California Environmental Quality Act ("CEQA") for an additional not-to-exceed amount of \$350,000. <u>BACKGROUND:</u> Approximately 100 acres of the current active Inglewood Oil Field is located within Culver City's jurisdiction. In October of 2008, Los Angeles County adopted the Baldwin Hills Community Standards District (the "County CSD") establishing regulations for oil and gas production activities in the remaining approximately 900 acres of the Inglewood Oil Field within the unincorporated area of the County known as Baldwin Hills and certified the related Environmental Impact Report (the "County EIR").			

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Existing regulations for the Culver City portion of the Inglewood Oil Field (the "Oil Field") were last updated in 2003. Since that time, there has been new information relating to oil drilling impacts and technological developments. During this period, the City Council, Culver City residents, and the surrounding community have expressed significant concerns regarding, and an increased interest in, oil and gas operations in the Oil Field. Particularly, a significant area of concern is the uncertain impacts on the public health and safety and the environment which may occur as a result of oil and gas operations in the Oil Field.

In April 2013, the City released to the public the Discussion Draft Regulations Relating to Oil Drilling Operations in the Inglewood Oil Field (the "Discussion Draft") for review and comment. Staff is recommending the Discussion Draft regulations be included as part of a Specific Plan, as discussed further below, encompassing the area of the active Oil Field within the jurisdiction of Culver City (Attachment 1 – Active Oil Field Map). The Discussion Draft is available on the City's website at: <https://www.culvercity.org/inglewoodoilfield/DiscussionDraft.aspx>

Since the release of the Discussion Draft, City staff has been compiling public comments received in an effort to prepare responses and revisions to that Draft. Should the City Council adopt the proposed resolution this evening, staff anticipates releasing a Draft Specific Plan in the Fall of 2014.

DISCUSSION:

Specific Plan

A Specific Plan is a tool that can be used to implement the City's General Plan. A Specific Plan is a comprehensive planning and zoning document for a defined geographical area. It provides the flexibility to establish site-specific zoning regulations tailored to the type and intensity of uses in a specific location. In the case of the Oil Field, a Specific Plan is particularly suitable because the type of use (oil field operations) requires specialized regulations that differ from those applicable to typical commercial and industrial uses. Additionally, the geographic location is limited to a specific area within the City.

Following adoption of a Specific Plan, all subsequent subdivisions, development, public works projects, and zoning regulations that relate to the Specific Plan area must be consistent with the Specific Plan. The adoption of a Specific Plan does not vest any development with any rights or approvals, and Specific Plans may be amended by the City Council as necessary.

The active Oil Field is located within the Southeastern Sub-Area of the General Plan and in the Focused Special Study area known as the Blair Hills/Baldwin Hills Area. A Focused Special Study area is an area that has been identified as having special needs or conditions that would benefit from detailed investigations which may

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address issues such as allowable land use patterns, design standards, zoning and other property development standards. They may include detailed regulations, conditions, programs and proposed designations supplemental to the General Plan, including infrastructure requirements, resource conservation and implementation measures, and identify potential changes in land use that may be appropriate to meet future needs.

The development of a Specific Plan for the active Oil Field is consistent with the goals and intent of the Blair Hills/Baldwin Hills Focused Special Study area. Moreover, since oil and gas production is such a specialized land use, a Specific Plan would be appropriate and useful to further address the special needs and conditions of Blair Hills/Baldwin Hills Focused Special Study area.

Chapter 17.570 of the Culver City Municipal Code ("CCMC") provides procedures for preparing, processing, reviewing, adopting, and amending a Specific Plan. A draft Specific Plan must be processed in the same manner as required for General Plans by the CCMC and State law (Government Code Sections 65350, et seq.), which includes public hearings before the Planning Commission and the City Council and multiple opportunities for public review and comment. Prior to beginning the Specific Plan process, the City Council must adopt a Resolution of Intention authorizing the initiation of a Specific Plan for the Oil Field (Attachment 2). The adoption of the Resolution of Intention is the first step in the process for the preparation and processing of a proposed Specific Plan. The substance of the Discussion Draft regulations will not be considered at this time. If the City Council adopts the Resolution to initiate the preparation of the Specific Plan, the Discussion Draft regulations for the Oil Field will be converted into a Specific Plan format, which will be released to the public for review and comment. The tentative project timeline for the Specific Plan process is included as Attachment 3.

Environmental Review

A Specific Plan is subject to environmental review in compliance with CEQA. The City has an existing contract with Aspen Environmental Group ("Aspen") to assist in the preparation of an Initial Study and/or other environmental documents pertaining to the preparation and adoption of the City's revised oil and gas drilling regulations.

Aspen has been assisting the City since 2008 with the review of the County's CSD and County EIR, review of the multiple County CSD and State agencies' plans and studies, creation of the Discussion Draft, and other services in relation to the Oil Field. Due to the technical nature of oil drilling, the history and large volume of information already reviewed, and its ability to analyze the complex environmental issues that arise with oil and gas production, staff proposed to continue to work with Aspen in creating the Specific Plan and environmental review in compliance with CEQA should the City Council initiate a Specific Plan.

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In order to cover the cost of moving forward with the environmental review of a Specific Plan, an amendment increasing the amount of Aspen's existing professional service agreement is necessary. Staff recommends the City Council approve an amendment for an additional not-to-exceed amount of \$350,000.

FISCAL ANALYSIS:

It is estimated that the cost of adopting a Specific Plan and related environmental documents (assuming an Environmental Impact Report is required) would be \$350,000. State law (Government Code Section 64556) allows for the City to impose a specific plan fee upon persons seeking governmental approvals which are required to be consistent with the Specific Plan. The fees must be established so that, in the aggregate, the estimated fees do not exceed the cost of preparation, adoption, and administration of the Specific Plan. While this would result in the City recovering the cost of adopting and administering the Specific Plan, the length of time for recuperation of such costs would be dependent on when approvals would be requested which is difficult to determine at this time.

ATTACHMENT:

1. Active Oil Field Map
2. Proposed Resolution
3. Tentative Project Timeline

MOTION:

That the City Council:

1. Adopt a Resolution declaring its intention to initiate a Specific Plan for the Culver City portion of the Inglewood Oil Field; and,
2. Approve an amendment to the existing professional services agreement with Aspen Environmental Group for the environmental review, analysis and document preparation required by the California Environmental Quality Act in an additional not-to-exceed amount of \$350,000.