

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

Meeting Date: 02/01/10		Item Number: <u>A-3</u>	
CITY COUNCIL AGENDA ITEM: Introduction of an Ordinance Amending Section 11.12.010.B of the Culver City Municipal Code to Ratify and Memorialize the Intent of the Review Process for Issuance of Oil Drilling Permits.			
Contact Person/Dept.: Heather Baker/City Attorney		Phone Number: 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 (01/27/10); (Email) Plains Exploration and Production (01/27/10); (Email) individuals who spoke at prior Council Meetings related to this topic (01/27/10)			
Department Approval: Carol Schwab (01/27/10)		City Attorney Approval: Carol Schwab (01/27/10)	
Chief Financial Officer Approval: Mark Scott (by N. Kimball)(01/27/10)		City Manager Approval: Mark Scott (01/27/10)	

RECOMMENDATION:

Staff recommends that the City Council introduce an Ordinance (Attachment 1) amending Section 11.12.010.B of the Culver City Municipal Code (CCMC) to ratify and memorialize the intent of the review process used for approval and issuance of oil drilling permits.

BACKGROUND / DISCUSSION:

The existing provisions of Chapter 11.12 of the CCMC require the City Council's consideration and determination whether permits should be issued to allow the drilling, re-drilling or deepening of any well hole (collectively, "drilling"). Chapter 11.12 of the CCMC sets forth the requirements pertaining to such permits and related applications. Among other things, subsection 11.12.040 A. of the CCMC specifically requires any applicant for an oil permit to sign an agreement obligating that applicant to comply with all conditions imposed on the permit. In addition, subsection 11.12.010.B. provides as follows:

"On receipt of an application, the City Council may require further information of the applicant or from City Officers or Commissions, and in no event shall a permit be issued unless the City's zoning regulations have been adhered to." (Emphasis added.)

The language of that Chapter, as well as the City's administrative history and past practice, establishes the process for the issuance of a permit for drilling in Culver

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City. For example, during the processing of the oil drilling permits most recently granted by Culver City (in 2002), the City Council considered and imposed, as part of the permit review process, discretionary conditions on the grant of those permits (Attachment 2). The City Council included conditions not explicitly stated in Chapter 11.12 and evaluated the permit applications under the California Environmental Quality Act, which evaluation is required only with regard to discretionary actions (Attachment 3). Such a permit can be issued only after the City Council has used its discretion to determine, at a duly noticed public meeting, whether to approve, deny or conditionally approve that permit. The City is in the process of reviewing, studying, and revising the City's laws, rules, procedures and fees relating to oil and/or gas operations, including its zoning laws, to adequately and appropriately balance the rights of existing operators and future applicants who wish to operate in the City with the preservation of the health, safety and welfare of the communities surrounding such oil and/or gas operations under Ordinance No. 2009-008. However, that process is not yet complete and circumstances make it desirable to ratify and memorialize the intent of the review process used under the existing law. A recent applicant has contended Chapter 11.12 provides that the City Council's consideration of whether or not to issue those permits is a ministerial determination. The purpose of the proposed Ordinance is to ratify the intent of the subject regulations and to memorialize the City's administrative history and past practices, by amending CCMC Section 11.12.010.B. to read as follows:

“On receipt of an application, the City Council may require further information of the applicant or from City Officers or Commissions, and in no event shall a permit be issued unless the City's zoning regulations have been adhered to. The issuance of an oil drilling permit, and the determination of conditions that should be included therein for the protection of health, safety, and welfare, are subject to the discretion of the City Council.”

Staff recommends that the City Council introduce the proposed Ordinance in order to ratify the intent of the existing oil permit processing provisions of Chapter 11.12 of the CCMC and memorialize the City's administrative history and past practice regarding that process.

FISCAL ANALYSIS:

There is no fiscal impact associated with the introduction of the proposed Ordinance.

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ATTACHMENTS:

1. Proposed Ordinance
2. Resolution No. 2002-R027
3. Notice of Exemption dated April 1, 2002; Environmental Information Form dated March 5, 2002; and letter from Stocker Resources, Inc. dated March 5, 2002

MOTION:

That the City Council:

Introduce an Ordinance amending Section 11.12.010.B of the Culver City Municipal Code to ratify and memorialize the intent of the review process used for issuance of oil drilling permits.