

MINUTE ITEM

This Calendar Item No. 33
was approved by the Commission
No. 33 by the Commission
Commission on 1/26/78
to 0 at its 1/26/78
meeting.

MINUTE ITEM

1/26/78
Willard

33. REMOVAL OF ELIWOOD OIL AND GAS PIER; W 9525.

During consideration of Calendar Item 33 attached, Mr. James F. Trout, Manager, Land Operations, informed the Commission that the land and Water Conservation Fund grant request proposal which had been extended was made directly by Santa Barbara County. The Wildlife Conservation Board was also considering use of Land and Water Conservation Fund money, but only after a project had been agreed upon.

Mr. D. J. Everitts, Manager, Energy and Mineral Resources Development, summarized the item.

Chairman Kenneth Cory advised any interested parties that the Commission will remain open to discussion if someone comes up with a viable proposal to fund the rehabilitation of the pier, prior to its actual demolition, taking into consideration the environmental and archaeological impacts. However, he indicated as it now stands, the Commission must accept the staff's recommendation as proposed.

Upon motion duly made and carried, the Commission adopted the resolution as presented in Calendar Item 33 by a vote of 3-0.

Due to adverse weather conditions, two representatives from Aminoil were unable to attend the meeting during consideration of this item. Therefore, the Commission took up the item after it reconvened in the afternoon.

Messrs. Joseph Loeb, attorney; and E. H. Kelly, Division Production manager, both representing Aminoil U.S.A., Inc., appeared. Mr. Loeb explained their time schedule for demolition of the pier and indicated Aminoil was in favor of the staff's recommendation. The Commission's motion therefore remained as adopted.

Attachment: Calendar Item 33 (3 pages)

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CALENDAR ITEM

33.

1/78
W 9525
Willard

REMOVAL OF ELLWOOD OIL AND GAS PIER

The County of Santa Barbara has submitted a conditional plan for the rehabilitation of Ellwood pier for recreational purposes (see attached Exhibit "A"). The plan provides several contingencies which upon review by the staff appear to be insurmountable within a reasonable length of time.

An essential part of the plan is the necessity of providing a frontage road from the existing Hollister Avenue to the pier. The State Department of Transportation has easement rights for such a road, however, they do not have the road included in their 6-year plan and have indicated that no assurance can be given that such a road will be funded (currently estimated at \$515,000) in the foreseeable future. In addition, this right-of-way passes through archeological sites (Indian burial grounds) for which there are no data available to date as to the impact the road construction would have on these sites. The Department of Parks and Recreation (serving as California's Heritage Office) has told the county that it would be advisable to avoid the archeological site. No attempt has been made to evaluate the feasibility of relocating the access road.

Additional onshore supporting acreage (6 acres) would be required for the project. The acquisition cost of this land was estimated at \$120,000 in 1973 and no recent negotiations with the property owners have been initiated.

Aminoil USA, Inc. has advised the Santa Barbara Board of Supervisors that they would contribute \$260,000 towards the rehabilitation of the pier. This is considerably less than the \$842,000 estimated by the county's consulting engineering firm for complete removal of the pier. While it is possible that a higher amount of money from Aminoil could be negotiated, considerable delay would be anticipated while the negotiations ensued.

Additionally, funding from the Wildlife Conservation Board and their proposal to request a grant from the Land and Water Conservation Fund (50% of the project cost) has been extended to April 26, 1978, and there is no indication that the grant request could be further extended beyond that date.

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CALENDAR ITEM NO. 33. (CONTD.)

After careful review of this entire project, it is the staff's position that the county rehabilitation plan is insufficient and limited by conditions which could not be resolved in the foreseeable future.

Accordingly, under the terms of oil and gas lease PRC 428.1, the Commission now has the option of either requiring Aminoil to (1) deliver up the pier in good order and condition, or (2) remove the pier upon the Commission's issuance of 60 days written notice. Therefore, in view of the inadequate financing plan by the county, the staff would recommend that the Commission elect the latter option of requiring Aminoil to remove the pier.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE ISSUANCE OF A DEMAND NOTICE UPON AMINOIL USA, INC. TO REMOVE THE EXISTING ELLWOOD PIER, SANTA BARBARA COUNTY; PURSUANT TO THE TERMS AND CONDITIONS OF STATE OIL AND GAS LEASE PRC 428.1 AND IN ACCORDANCE WITH THE REQUIREMENTS OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

Attachment: Exhibit "A"

EXHIBIT "A"

SANTA BARBARA COUNTY FUNDING PROPOSAL FOR PIER REHABILITATION

Total Costs (excluding EIR and frontage
access road construction) \$2,890,377*

Revenue

State Wildlife Conservation Board	\$ 250,000
Aminoil Contribution	842,000
County of Santa Barbara	500,000
Land and Water Conservation Fund	1,445,188

Total Revenue \$3,037,188

Project Costs 2,890,377

Difference (Reserve for EIR & Contingency) \$ 146,811

* Fiscal year 1978/79 prices excluding Department of Transportation frontage road and EIR costs.