

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 9/10/2013	(3) CONTACT/PHONE Ryan Hostetter, Senior Planner/805-788-2351	
(4) SUBJECT Consideration of a request to authorize a General Plan /Local Coastal Plan Amendment by Chevron Environmental Management Company to amend the Avila Beach Specific Plan and San Luis Bay Area Plan (Coastal) to change the land use category from Industrial to Recreation, and include development standards for the future redevelopment of the former Avila Tank Farm. District 3.			
(5) RECOMMENDED ACTION Review the attached proposal (LRP2012-00003 – Chevron Environmental Management Company) and determine whether your Board wishes to authorize processing.			
(6) FUNDING SOURCE(S) Application Fees	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est.) <input checked="" type="checkbox"/> Board Business (Time Est <u>60 Minutes</u> )			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW  Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) District 3			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / Ryan Hostetter, Senior Planner

VIA: Nancy Orton, Planning Division Manager

DATE: 9/10/2013

SUBJECT: Consideration of a request to authorize a General Plan /Local Coastal Plan Amendment by Chevron Environmental Management Company to amend the Avila Beach Specific Plan and San Luis Bay Area Plan (Coastal) to change the land use category from Industrial to Recreation, and include development standards for the future redevelopment of the former Avila Tank Farm. District 3.

## **RECOMMENDATION**

Review the attached proposal (LRP2012-00003 – Chevron Environmental Management Company) and determine whether your Board wishes to authorize processing.

## **DISCUSSION**

### *Background*

#### *History – Avila Beach Specific Plan and Clean Up*

Oil has been a part of Avila Beach's history since the town's beginning in the 1870s. In 1906, the Union Oil Company built a tank farm on the hills above the town to store oil piped in from the Santa Maria Valley. From the tank farm, pipelines ran through town and to the end of a pier (currently the location of the "Cal Poly Pier") where tankers would load oil for distribution. The tank farm property occupies an approximately 95 acre site located adjacent to the southern edge of the community of Avila Beach. The property is uphill topographically from the downtown area of Avila Beach and includes the ocean front bluff and extends back to the edge of Cave Landing Road.

Avila Beach developed as a recreation venue, as well as a port, and became one of the county's most popular beaches. The restaurants and shops along Front Street catered to a mix of college students, locals, and vacationers. Avila Beach was also home to three- to four-hundred residents, some year-round and others seasonal.

Development in Avila Beach was effectively halted by a 1977 water moratorium that endured for 17 years. Commercial buildings that might have been replaced during this period were kept in service with minimal expenditures for maintenance and improvements. Avila Beach acquired a "funky" ambiance while investors focused their resources on other beach towns up and down the coast. The water moratorium was lifted in 1994 and the first attempt to dig a new building foundation on Front Street met with the discovery of oil. Further investigation revealed that the soils under Front Street, the beach, and commercial buildings were contaminated with petroleum that had leaked from the underground pipelines. Although experts found no evidence of an immediate health risk, lending institutions would not provide financing for projects built over the contaminated soil.

Studies commenced to determine methods for accomplishing a cleanup. Excavation was chosen as the quickest way to achieve removal of the contaminants, but this meant the destruction of the old commercial district. Early in the process, a "Front Street Enhancement Committee" was formed to consider the possibility of rebuilding the streetscape with wider sidewalks, landscaping, and amenities for improving the pedestrian environment. When it became clear that excavation would involve more than Front Street, the County began an intensive public hearing process to prepare a Specific Plan. Town hall meetings were conducted to ensure that local residents participated in the articulation of a community vision and in the creation of specific guidelines for new development.

The Avila Beach Specific Plan defines a rebuilt commercial district with the look and feel of the old Avila, along with features to improve the community's image. Design standards for new buildings were crafted to provide flexibility and to ensure that historic features are preserved or replicated. The Plan also included language specific to the tank farm site (subject property) which is at the top of the hill at the end of Front Street, however it only discusses a potential vision for the property and requires that future development include an amendment to the Specific Plan to further define the redevelopment of the site once any remediation activities had occurred at the site.

The clean up of Avila Beach included the removal of the contaminated soil found under the beach and a portion of the downtown. It also included removal of the pipes which connected the tank farm site to the now Cal Poly pier which was once used to transport oil to and from the tank farm. This infrastructure was removed as a part of the clean up and the remainder of Avila's industrial past remains with the tank farm property which now has become a disconnected industrial site adjacent to the scenic beach front community.

Since that time the site has been undergoing assessment of the contamination left from the previous uses and it is generally vacant. The Tank Farm site was decommissioned in 1998 when the last of the above ground petroleum storage tanks was dismantled. The property, acquired by Chevron in 2005 as part of its purchase of Unocal has stood idle. Two water tanks are located on the site which are owned by the Avila Beach Community Services District, and some infrastructure from the original tank farm remains on site (piping and small metal buildings). Ground water, surface water, soil gas, and soils have been investigated through the placement of numerous monitoring wells and collection of data from soil borings. Ground water monitoring has been performed quarterly or semi-annually for more than 12 years and this information has been summarized and provided to the Regional Water Quality Control Board, County Environmental Health, Air Pollution Control District and California State Fish and Wildlife. Currently a cooperative effort between the agencies and Chevron known as the Avila Tank Farm Collaborative Assessment Team (ATCAT) is focused on assessing ecological and human health risks due to the past industrial uses at the site and identifying appropriate remediation actions that will be necessary for reuse of the property.

Remediation of the property will occur regardless of this general plan amendment/coastal plan amendment as required by the Regional Water Quality Control Board including an Environmental Impact Report for the remediation activities. The Environmental Impact Report however, is anticipated to cover both the site remediation activities as well as any future proposals for the property including the rezoning and reuse. Chevron is currently working with the County to begin the environmental review process.

#### *Proposal*

The project site is an approximately 95 acre property currently within the Industrial land use category just south of the community of Avila Beach (see attached Exhibits A and B). The property owner, Chevron Environmental Management Company, is requesting to change the land use category of the site from Industrial to Recreation in order to allow for the future development of a hotel and resort use with ancillary commercial uses such as a restaurant, spa and shopping.

Local Coastal Plan/Specific Plan Amendment - The site is currently designated Industrial. This land use category needs to be changed to a new designation that would accommodate re-use and re-development of the site (Recreation is the requested land use category). This general plan amendment requires a Specific Plan/Local Coastal Plan Amendment to identify future appropriate development and uses, including development standards. If authorized, a Local Coastal Plan/Specific Plan Amendment would be considered by the Planning Commission, and then forwarded to the Board of Supervisors. If approved by the County, the amendment would need to be submitted to, and approved by the California Coastal Commission.

While the formal project description for the future reuse has yet to be developed, Chevron has submitted a project "vision package" which includes the general plan/specific plan and local coastal plan amendment and site clean-up. The "vision" submitted by Chevron includes changing the land use category from Industrial to Recreation and construction of a resort which includes a restaurant, spa, shops, cottages, hotel rooms and related facilities (some of which may be fractional ownership). Included in the project is a coastal bluff trail and other trails throughout the site, remote parking areas (idea is for the site to remain car free if possible), and golf cart facilities for use on site. Water and wastewater facilities may be obtained by the Avila Beach Community Services District, however Chevron has informed the County that wastewater may be treated on-site. This, along with several other details of the project would be refined through development of the formal project description once the general plan amendment has been authorized.

Remediation of the site will be required regardless of the general plan amendment request as the site contains existing contamination that is required to be remediated by the Regional Water Quality Control Board. This would include clean up of previous contamination from the industrial use of the property per all state and federal standards as well as demolition of existing buildings and remaining industrial facilities on the site. General plan/specific plan/local coastal plan amendment authorization is not necessary for this portion of the project to occur.

#### Project Data

Planning Area: San Luis Bay Coastal Area Plan  
Community: Avila Beach  
Assessor Parcel Number: 076-181-062  
Area: 95 acres  
Topography: Site varies from gently to steeply sloping, the top of the property is more level  
Vegetation: Grasses, forbs, oak woodlands, and wetlands  
Water Supply: Community system (San Miguelito)  
Sewage Disposal: Community System (unless on site system is approved for this project)  
Existing Use and Improvements: Abandoned industrial oil storage and refinery site

#### Surrounding Land Uses (Land Use Categories)

North: Golf Course (Recreation)  
South: Pacific Ocean  
East: Undeveloped (Residential Rural)  
West: Residences (Residential Single-Family and Residential Multi Family within community of Avila Beach)

#### General Plan / Ordinance Information

Land Use Element Category: Industrial  
Combining Designation: Energy or Extractive Area, Archaeological Study Area, Local Coastal Program Area, and Coastal Appealable Zone  
Planning Area Standards: Industrial, San Luis Bay Coastal Area Plan

### Authority

Unlike the processing of land use permits, the first step when considering requested changes to the general plan or ordinances is for your Board to determine whether to initiate new legislation to change the rules. If you authorize this request for processing, the item will be scheduled for public hearings before the Planning Commission and your Board after the environmental review process and staff report is completed. The project will then be submitted to the Coastal Commission for review and consideration following an approval by the Board of Supervisors.

The Land Use Element/Local Coastal Plan sets forth the authority by which the General Plan can be amended. The following factors should be considered by the Board in making their decision, pursuant to the Land Use Element:

- a. Necessity. Relationship to other existing LUE policies, including the guidelines for land use category amendments, to determine if those policies make the proposed amendment unnecessary or inappropriate.
- b. Timing. Whether the proposed change is unnecessary or premature in relation to the inventory of similarly designated land, the amount and nature of similar requests, and the timing of projected growth.
- c. Vicinity. Relationship of the site to the surrounding area to determine if the area of the proposed change should be expanded or reduced in order to consider surrounding physical conditions. These may include resource availability, environmental constraints, and carrying capacity for the area in the evaluation.
- d. Cumulative effects of the request. Individual property owner requests for changes are evaluated in view of existing buildout, current population and resource capacity conditions, and other important information developed as part of the update process.

### Major Questions

The proposed General Plan amendment raises the following major issues:

1. Is the request consistent with applicable Land Use Element policies relating to the purpose and character statements for the requested Recreation land use category?
2. Does the request represent a logical location for the Recreation land use category?

### General Plan Considerations

#### *Guidelines for Land Use Category Amendments*

In determining whether to approve a proposed land use category amendment, the Planning Commission and Board of Supervisors may consider, but shall not be limited to, the criteria listed in Exhibit C. These criteria include consistency with existing goals and policies in the general plan, consistency with the applicable purpose and character statements, compatibility with the character of the general area, convenient access to a road system in the area that is adequate to accommodate the traffic generated, whether the site is suitable for on-site sewage disposal and has an adequate groundwater supply, protection of prime agricultural soils, and if the change is needed to provide a sufficient supply of land for the population of the community or area.

#### *Purpose and Character Statements*

The statements of purpose and character in the Framework for Planning of the Land Use Element of the general plan, are to be used as criteria for evaluating whether a General Plan amendment is appropriate for a specific site (See Exhibit D). These statements identify suitable features or conditions for the location, extent and timing of designating a land use category.

Recreation land use category:

The Purpose statements for the Recreation land use category include the following:

- a. To identify areas having recreational potential where private or public development of recreational uses can be encouraged when not in conflict with surrounding rural and agricultural uses.
- b. To allow for recreation and resort-oriented development that will be incidental to outdoor recreation on the same site.
- c. To allow recreation and resort-oriented development where significant public recreational resources are available in the immediate vicinity.
- d. To provide for public park and recreation areas when not in conflict with surrounding rural and agricultural land uses.
- e. To provide for visitor-serving priority areas.

The character of the Recreation land use category is described as being the following:

- a. Areas of existing and/or proposed private recreational uses that emphasize and retain a recreational resource on a significant portion of the site.
- b. Areas shown on an adopted State Park System Master Plan or on acquisition lists of the state or county parks and recreation departments.
- c. Areas of existing public recreational uses.
- d. Visitor-serving priority areas are:
  - a. Areas that presently serve tourists and visitors to the coast and coastal communities, which are protected by preserving the visitor-serving uses within them.
  - b. Ocean-front land, upland support areas and private lands and coastal areas suitable for Recreational and Visitor-Serving commercial activities (as reflected on the land use maps) shall be preserved for such developments. Priority is given to the use of private lands to enhance public opportunities for coastal recreation over private residential, general industrial or general commercial development but not over agricultural or coastal-dependent uses.
  - c. These areas are identified on the land use maps with the letter "V". The designation applies to the entire Recreation category.
- e. Areas with a natural or man-made recreational resource that will serve particular public recreational needs and should be protected from the encroachment of residential and commercial activity.
- f. Areas where residential uses can be integrated into a mixed use resort development, secondary to outdoor recreational activities that is to be approved under the Development Plan requirements of the Coastal Zone Land Use Ordinance.
- g. Areas reserved for active and intensive recreational activities, such as motels, hotels, golf courses and campgrounds.
- h. Existing established state, county or city park holdings, as well as those areas of the national forest where active recreation uses exist.

*Staff Response: The site meets the purpose and character statements relating to the Recreation land use category. This property is a prime location along the coast which could provide coastal trails and connections to the existing commercial area of Avila Beach including the beach itself. The current Industrial land use designation originated from the historic use of the site as an oil storage and transport location, however today the infrastructure which connects the site to the pier has since been disconnected and removed. This property contains significant coastal resources which would allow the public to further enjoy the coast, a bike/pedestrian connection from Avila Beach toward the edge of Pismo Beach, and views of the coast from this location through public trails on the site. The Avila Beach Specific Plan identified the site as a potential location for a future conference center which could include facilities for lodging, museums and meeting areas. This plan anticipated a future development of the property knowing that the site would be required to obtain a change to the land use category and an amendment to the Specific Plan in order for this to occur. The property owner is requesting the land use category change at this time to Recreation which fits within the potential vision for the site within the existing Avila Beach Specific Plan as well as the purpose and character statements shown above for Recreation.*

### *Combining Designations*

Combining designations identify areas with characteristics that are either of public value, or are hazardous to the public. The special location, terrain, man-made features, plants or animals of these areas create a need for more careful project review to protect those characteristics, or to protect public health, safety and welfare. The combining designations that apply to this property include:

#### *Energy or Extractive Area*

This combining designation is applied to areas where oil, gas or mineral extraction occurs, is proposed, or where the State Geologist has identified petroleum or mineral reserves of statewide significance; and areas of existing or proposed energy-producing facilities. This project site has historically included the storage of oil and some refining. This use, however has since been abandoned and has been left vacant for future visitor serving uses once a clean up of the site has been completed per the Regional Water Quality Control Board and Environmental Health standards.

#### *Local Coastal Program*

This is applied to areas of the county within the coastal zone, to which the Local Coastal Program applies (and as adopted by the California Coastal Commission). This property is within the Local Coastal Program and is adjacent to the ocean and southern edge of the community of Avila Beach. Future development permits are required to be reviewed for consistency with the Coastal Act and Coastal Plan Policies.

#### *Archaeological Study Area*

The archaeological study area is applied to areas of known or suspected archaeological resources. Urban areas are mapped on combining designation maps while rural areas are shown on a separate confidential parcel listing. This property will undergo specific review for cultural resources through the environmental process for the project. This review will include work conducted by qualified archaeologists in consultation with the relevant tribes in the area through the Native American Heritage Commission.

### *General Goals of the Land Use Element*

Applicable general goals of the Land Use Element include:

- a. Preservation of open space, scenic natural beauty and natural resources, conserve energy resources and protection of agricultural resources
- b. Strengthen and direct development toward existing communities
- c. Foster distinctive attractive communities with a strong sense of place
- d. Create walkable neighborhoods and towns
- e. Provide a variety of transportation choices
- f. Create a range of housing opportunities and choices
- g. Encourage mixed land uses
- h. Take advantage of compact building design

*Staff Response: Changing the site from Industrial to Recreation is what has been anticipated from the community through review and discussion in the Avila Beach Specific Plan. It was anticipated that this property will connect the town of Avila Beach and compliment the downtown community through pedestrian connection and providing complimentary businesses at the property (i.e. discussion of conference center). This site is within the urban service boundary of the existing community of Avila Beach and is anticipated to fit within the goals of the Land Use Element. By changing the property from Industrial to Recreation this enhances the visitor serving connections that this property could provide to the Avila urban area by allowing coastal trails and visitor serving uses on the site and removal of the industrial uses within the community.*

### Authorization Options

Your Board should consider the following options as part of your discussions when considering whether to authorize this project for processing:

1. Authorize the application as requested for processing to change the land use category on the 95-acre site to Recreation from Industrial and amend the Avila Beach Specific Plan and San Luis Bay Coastal Area Plan to reflect this amendment.
2. Do not authorize the processing of this application from Industrial to Recreation or the amendment to the Avila Beach Specific Plan and San Luis Bay Coastal Area Plan which would allow the site to remain as it currently exists. Not authorizing the land use amendment will not inhibit any remediation that will occur based on state and federal requirements.

### **OTHER AGENCY INVOLVEMENT/IMPACT**

If the project is authorized for processing, the application will be referred to all applicable agencies and community advisory bodies.

### **FINANCIAL CONSIDERATIONS**

The applicant has paid a deposit and has agreed to process the amendments under a Real Time Billing Agreement, which will allow for the recovery of the actual cost of processing.

### **RESULTS**

Authorization of the General Plan/Specific Plan/Local Coastal Plan Amendment application will allow continued processing and a final decision to occur. Not authorizing the application will stop the further processing of the amendment.

### **ATTACHMENTS**

Exhibit A - Vicinity Map

Exhibit B - Land Use Category Map

Exhibit C - Guidelines for Land Use Category Amendments

Exhibit D - Guidelines for Amendments to Coastal Zone Land Use Ordinance and Land Use  
Element Planning Area Standards

Exhibit E - Purpose and Character Statements for Recreation

Exhibit F - Applicant's Project Description