



City Council Agenda Item

City Council Meeting Date: June 2, 2020

TO: Honorable Mayor and City Councilmembers

FROM: Jim Throop, City Manager
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Jeff Malawy, City Attorney
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SUBJECT: Consideration of Community Benefit Agreement Proposed by Strauss Wind, LLC in Connection with a 100-Megawatt Wind Energy Project to be Located on Private Land Southwest of the City

Recommendation:

Staff recommends the City Council:

- 1) Consider the community benefit agreement proposed by Strauss Wind, LLC (Attachment 1); and
- 2) Provide direction to staff regarding the agreement terms for further negotiation with Strauss Wind.

Background:

Strauss Wind, LLC (Strauss) is in the process of developing an approximately 100-megawatt wind energy project to be located on private land southwest of the City (the Project).

The Project requires various approvals by multiple federal, state, and local government agencies, including but not limited to approval from the County of Santa Barbara of a Conditional Use Permit (No. 16CUP-00000-00031) and a variance (No. 18VAR-00000-00002) and approval by the City of Lompoc of an Encroachment Permit, Transportation Permits (Oversize Vehicle Permits), and an agreement for roadway repair.

The County is the lead agency for the Project for CEQA purposes. The County Planning Commission certified the Environmental Impact Report and approved the Project on November 20, 2019. The County Board of Supervisors rejected various appeals, and certified the EIR and approved the Project on January 28, 2020.

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Strauss proposes to transport its large wind turbines to the Project site through the City from the northern city limit at Santa Lucia Canyon Road, continuing south onto Floradale Road, then east on Ocean Avenue, then south on I Street, to the southern city limit at Willow Avenue. Transportation of the equipment will involve many periods of temporary closure of portions of these streets while each truck is passing through, over an estimated hauling duration of eight to fifteen weeks, to allow an estimated 161 to 203 extremely oversized truck trips, and will require removal of traffic signal poles, trees, street lights, signs, and other items from the City right-of-way, Caltrans right-of-way, and the City-owned property located southwest of the intersection of Ocean Avenue and I Street.

The EIR approved by the County requires Strauss to enter into an agreement with the City to ensure that any damage to City streets is mitigated through repair or reconstruction to original conditions. The EIR also requires Strauss to prepare a Traffic Management Plan to address hazards associated with project truck traffic and to address level of service impacts (delays to other traffic).

Strauss applied for its Encroachment Permit on February 4, 2020. Its application is not complete. On February 14, 2020, staff provided Strauss a detailed list of items necessary to complete its application. Staff has continued to coordinate with Strauss to provide additional clarification and discuss the necessary submittal items. Additionally, because the proposed truck turn from Ocean Avenue onto I Street begins within Caltrans' right-of-way and requires the removal of Caltrans' traffic signal poles which also serve I Street, Strauss, Caltrans, and staff continue to coordinate related items. Strauss recently engaged a consultant to assist in meeting the needs of Caltrans and the City related to temporary traffic signal operation at Ocean Avenue and I Street, and Strauss submitted its first submittal to the City from that consultant's work on May 27, 2020. Strauss has still not submitted the necessary information to complete the application, including for example, complete detailed information about the path Strauss tractor trailers will traverse over City streets, and all necessary interim modifications to accommodate the truck traffic traversing over and behind sidewalk areas, while also safely accommodating pedestrians and other City traffic during the hauling period.

Strauss submitted to the City a Traffic Management Plan during the month of March 2020, and in early April 2020 the City and Caltrans District 5 each replied that the needs of each agency which are not sufficiently addressed in the Traffic Management Plan would need to be adequately addressed through the processes of encroachment and transportation permitting.

Two transportation companies submitted transportation permit applications to the City during the month of May 2020 proposing to haul large turbine components for the Strauss Project. Because the encroachment permit work discussed above is necessary to facilitate the truck trips proposed in the transportation permits, those transportation permits will be processed concurrently as the encroachment permit issues are resolved.

Strauss submitted to the City a draft roadway repair agreement on May 21, 2020, and staff is currently preparing a detailed response to the provisions of that agreement.

Discussion:

When Strauss eventually completes its application for City approvals, City staff will process the application and either approve, conditionally approve, or deny the application, including negotiating and entering into the roadway repair agreement required by the Project's EIR. Through these approvals, the City has discretion and intends to require Strauss to cover the cost of all impacts on City infrastructure, damage and wear and tear on City streets, staff time, and City Attorney time, for the transportation of Project equipment through the City. At this time, with the application still incomplete, there is no time estimate for when these approvals may be issued. These City approvals are not the subject of this agenda item tonight.

This agenda item tonight relates to a proposed Community Benefit Agreement Strauss sent to the City on May 21, 2020 (Attachment 1). Under the proposed Community Benefit Agreement, Strauss would pay the City \$150,000, at the end of the project, in exchange for the City's agreement not to, directly or indirectly, oppose, protest, challenge, or seek mitigation measures from, the approvals Strauss needs from other government agencies. The City would also agree not to file, join, or support any lawsuit challenging any of the permits or approvals issued by any government agency for the Project. (Sections 2 and 3 of Agreement.)

The City would retain all discretion to approve, condition, or deny the City of Lompoc approvals. The \$150,000 payment would be in addition to any costs Strauss is required to cover as conditions of its Lompoc permit approvals, including the cost of all impacts of the Project on City infrastructure, damage and wear and tear on City streets, staff time, and City Attorney time. (Sections 3 and 4 of Agreement.)

However, the Community Benefit Agreement places several additional conditions on payment of the \$150,000 to the City:

1. Physical construction activities **must commence in all areas of the Project**, including transport of equipment along Ocean Ave and I Street, **by June 15, 2020**. (Section 1 of the Agreement). This means if Strauss does not begin construction on the Project site within 2 weeks from now, or does not start transporting equipment on Lompoc streets within 2 weeks from now, Strauss is not required to pay anything to the City. It is extremely unlikely this condition will be met. Further, Strauss has not indicated it has obtained its required permits from all other necessary government agencies, nor how long that might take.
2. All testing and commissioning of the Project must be completed and the Project must be able to start producing electricity for sale by December 31, 2021. (Sections 7.a. and 2 of the Agreement.) If that deadline is not met, Strauss is not required to pay anything to the City.
3. Assuming all conditions of the Agreement are met, the date that Strauss must make the \$150,000 payment to the City is when all testing and commissioning of

the Project is completed and the Project is able to start producing electricity for sale.

Fiscal Impact:

The proposed Community Benefit Agreement could provide \$150,000 to the City's general fund, if all conditions of the Agreement are met.

Conclusion:

Staff requests the City Council to review the Community Benefit Agreement proposed by Strauss, and provide direction regarding the agreement terms for further negotiation.

Respectfully submitted,

Jim Throop, City Manager



Jeff Malawy, City Attorney

Attachment: Community Benefit Agreement proposed by Strauss Wind, LLC