

Lompoc City Council Agenda Item



City Council Meeting Date: January 17, 2017

TO: Patrick Wiemiller, City Manager

FROM: Lucille T. Breese, AICP, Planning Manager
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SUBJECT: City Council Direction for Future Action Regarding Proposed Motorsports Project at the Lompoc Airport (Planning Division File No. CUP 14-04)

Recommendation:

It is recommended the City Council:

- 1) Receive and consider the status analysis of the proposed Motorsports Project at the Lompoc Airport (Project); and
- 2) Direct staff to process the application for the City of Lompoc's (City) land use approvals required for the Project [which was deemed complete July 30, 2015, and the Final Environmental Impact Report (FEIR) was certified by City Council on December 6, 2016], with the Lompoc Parks, Recreation, Pool Foundation (LVPRPF) reimbursing the City for all cost regarding that processing; or
- 3) Due to the closing of performance period of the State of California Grant as of December 30, 2016, direct staff to return with a revised Memorandum of Understanding (MOU) or lease agreement with LVPRPF to deal with the continued financing of the processing of the Project, as well as the construction and operation of the Project itself; or
- 4) Provide alternative direction.

Background:

On December 6, 2016, the City Council held a public hearing and certified the FEIR for the Project. The required land use approvals for the Project were not presented for review or consideration at that hearing. The following information is presented to inform the City Council of the status of the Project and to seek direction for further processing:

- 12/30/13 – Grant agreement with the State of California Department of Parks and Recreation Off-Highway Motor Vehicle Recreation (State Grants) signed by City Administrator and State Representative, funds available for Phase 1 – Environmental Review (the total grant award amount was \$998,107) with a 3-year grant term expiring December 30, 2016;

- 3/4/14 – MOU signed at City Council meeting by the City and LVPRPF representatives;
- 10/21/14 – LVPRPF submitted Project application;
- 7/30/15 – Project application deemed complete;
- 8/12/15 – MOU Amendment No. 1 – change to Selection of Environmental Consultant process;
- 11/19/15 – Environmental Impact Report (EIR) Kickoff meeting;
- 11/19/15 – MOU Amendment No. 2 – change to schedule of deposit of funds from LVPRPF;
- 6/24/16 – Distribution of Draft EIR – public review period 6/24/16 through 8/15/16;
- 8/2/16 – MOU Amendment No. 3 to:
 - Rescind MOU Amendment No. 2,
 - Contract with Meridian for National Environmental Policy Act (NEPA) analysis, and
 - Contract with AECOM for Airport Layout Plan (Plan);
- 12/6/16 – Council certified FEIR for Project;
- 12/30/16 – End of Project Performance Period for State Grant Funds.

Discussion:

The Federal Aviation Administration (FAA) has authority over uses allowed at the Lompoc Airport. The City has a Plan that was approved and funded by the FAA in 2011 showing allowed uses on the Airport property. The City views the Plan as a draft document only since no environmental analysis was performed; however, the FAA accepted the Plan. In order for the Project to proceed on Airport property, the Plan must be amended and accepted by the FAA.

The City entered into contracts with Meridian Consultants to prepare the required NEPA analysis, and with AECOM to prepare the amended Plan showing the Motorsports Project as an allowed use on the Lompoc Airport. Difficulties arose with the design of the Project, which required adjustments to the Skydive Santa Barbara landing area. Skydive Santa Barbara is an aeronautical use business and is shown on the existing Plan. An alternate landing area has not been mutually agreed upon; and, therefore, the FAA will not process the NEPA or the Plan as amended at this time.

The City has an application that has been deemed complete for processing and an action must be taken pursuant to the California Permit Streamlining Act (Government Code sections 65920 et seq.) (Act). Ordinarily, the Act requires jurisdictions to approve or not approve a development project, for which a complete application has been submitted, within specific timelines or the project may automatically be approved. Generally, when the City has certified an EIR for a project, the City has 180 days to approve or not approve it. If an action is not taken within 180 days, then the project may be automatically deemed approved. As stated previously, the Project also requires FAA approval. It would also require the City and LVPRPF to sign a lease for use of the City's property for the Project. Nothing in the MOU requires the City to agree to that lease. Based on that, the deadline established by the Act does not apply to the Project.

The City is unable to proceed with approval of the Project while it is inconsistent with the existing Plan without an amendment to the Plan. However, the FAA will not approve the proposed revisions to the Plan. The options available at this time are for:

- (i) LVPRPF to withdraw the application for the Project and reevaluate the design and resubmit it to the City for consideration,
- (ii) the City to process the application for the required land use entitlements for the Project at a public hearing and deny it without prejudice, thereby allowing LVPRPF time to reconsider its proposal, with LVPRPF reimbursing the City for the staff costs related to that review,
- (iii) the Council to direct staff to negotiate a revised MOU with LVPRPF for the financing of the continued processing of the application for the Project, including through the FAA process, or
- (iv) the Council to direct staff to negotiate a lease of the City property with terms to deal with the financing of the continued processing of the application for the Project, including through the FAA process and the construction and operation of the Project.

Fiscal Impact:

The City has been reimbursed for its costs incurred with respect to the Project by a State Grant for two payment requests (\$171,819.55 and \$41,442.63). A third request for reimbursement from State Grant fund for \$28,440.62 was submitted on December 28, 2016, and is under review. The reimbursement request of December 28, 2016, included known Project related costs expended for costs incurred through December 6, 2016, the date the City Council certified the FEIR.

With the City Council certification of the FEIR, the City has met the terms of the State Grant for reimbursement of costs, incurred by the City, of the required CEQA analysis of the Project.

Following the closing of the State Grant performance period on December 30, 2016, State Grant funds for the Project are no longer available for reimbursement of Project costs expended after December 30, 2016. The existing MOU requires LVPRPF to be responsible for *“any and all funds not reimbursed by the Grant or third parties.”* Further staff work on the Project is to be fully reimbursable by LVPRPF.

Conclusion:

City Council is requested to consider the above stated information and provide direction to staff regarding which of the above described options should be pursued.

January 17, 2017
Motorsports Project Status
Page 4 of 4

Respectfully submitted,

Lucille T. Breese, AICP, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Teresa Gallavan, Economic Development Director/Assistant City Manager

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Patrick Wiemiller, City Manager