

RESOLUTION NO. 2021-08-XXXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIGNAL HILL, CALIFORNIA, APPROVING A TWO-YEAR EXTENSION OF CONDITIONAL USE PERMIT 97-03, FOR SEVEN EXISTING OIL AND GAS DRILLING SITES WITH OIL AND GAS STORAGE, PROCESSING, TRANSPORT OPERATIONS, AND A GAS TURBINE FACILITY, WITH AN EXPIRATION DATE OF JULY 30, 2023

WHEREAS, oil was discovered in the City of Signal Hill (the City) in 1919 in the Signal Hill Oil Field, which is a subsection of the Long Beach Field, and the area soon became one of the largest active oil fields in the world, with some one billion barrels of oil extracted to date. Over 1,719 wells were drilled, of which more than 20% are currently active; and

WHEREAS, the City originally adopted regulations concerning oil wells in 1962, and after periodic updating, in 1990 the City created an Oil Code Committee and completed a comprehensive planning process to update Title 16 Oil and Gas Code (Oil Code) of the Signal Hill Municipal Code (SHMC), concerning well drilling and re-drilling, water injection, drill sites, noise standards, surface mitigation measures, venting, access, property maintenance, landscaping, development constraints, and other issues; and

WHEREAS, pursuant to SHMC Section 16.16.010, entitled, “Drilling Prohibited,” new wells are only allowed within approved Drill Sites with a Conditional Use Permit (CUP), and drill sites are no longer allowed in residential zoning districts; and

WHEREAS, the drill site concept was intended to be mutually beneficial to both Signal Hill Petroleum, Inc. (SHP) and the City in that both would benefit from enhanced opportunities related to abandonment of wells outside of the drill sites and the corresponding viability of additional development; and

WHEREAS, in 1990, at the time of the initial Oil Code update, the estimated life of the oil field was 25 years, and the stated purpose of the original CUP was to

consolidate oil production activities onto the approved drill sites, allow for secondary petroleum recovery operations, and if, as estimated, the field reached the end of life around 2015, encumbered lands could then be freed up for development; and

WHEREAS, on June 16, 1998, the City approved a request submitted by SHP to approve CUP 97-03 and Mitigated Negative Declaration (MND) 09/18/97(1) for a five-year term to continue the operation of seven existing consolidated oil and gas drilling, production, storage, processing, and shipping facilities, and to construct a new 7,000 square-foot natural gas processing facility at 1215 E. 29th Street; and

WHEREAS, on October 1, 2002, the City approved amendments to CUP 97-03 and MND 08/12/02(1) for a 10-year term to continue the operation of the seven existing consolidated oil and gas drilling, production, storage, processing, and shipping facilities, and to construct a simple cycle gas turbine power plant at 1215 E. 29th Street to work in conjunction with the gas processing facility to generate electric power for oil operations; and

WHEREAS, on October 1, 2012, the 10-year approval for CUP 97-03 would expire, unless it was extended or renewed, and SHP indicated that a current CUP is required by the State Division of Oil Gas and Geothermal Resources (DOGGR) for their drilling operations; and

WHEREAS, the continued operation of the seven consolidated drilling, petroleum, and gas processing facilities is necessary for the uninterrupted production of petroleum and gas; and

WHEREAS, the Signal Hill General Plan anticipates the continuation of petroleum and gas production for the life of the field; and

WHEREAS, in 2012, 14 years after the establishment of the consolidated drill sites concept and following SHP conducting a geophysical survey to image and map

subsurface geology in the field and given advances in the technology which led to the discovery of new resources, SHP reported that the previously estimated 25-year life of the field was likely much longer than originally estimated in 1990. In addition, it had become apparent that the City's initial vision of freeing up encumbered land for development was not occurring to the extent expected; and

WHEREAS, on June 12, 2012, in anticipation of SHP's request to renew the CUP for a 10-year period, the Planning Commission conducted an introductory workshop with an overview of the CUP approvals and the history and future predictions of oil operations in the City; and

WHEREAS, on June 28, 2012, the Planning Commission held a duly noticed meeting that consisted of a tour of the seven drill sites; and

WHEREAS, on July 10, 2012, the Planning Commission held a second duly noticed workshop covering the topic of two secondary mineral extraction methods known as water injection and fracking, and the Commission received input from the public who expressed interest in a second tour and outside consultant review of the CUP prior to a ten-year approval; and

WHEREAS, representatives from SHP testified at the workshop that they do not utilize fracking in local operations, that of the two methods they only use the water injection method and that DOGGR approvals do not allow SHP to frack; and

WHEREAS, on August 14, 2012, the Planning Commission held a duly noticed public hearing and unanimously recommended that the City Council approve a one-year extension of the CUP to allow the City to complete independent technical water quality and petroleum studies regarding oil field operations; and

WHEREAS, on August 28, 2012, the City Council held a duly noticed public meeting that consisted of a second tour of the seven drill sites and council members and members of the public attended; and

WHEREAS, on September 4, 2012, the City Council approved a one-year extension of CUP 97-03; and

WHEREAS, the one-year extension was envisioned to allow the City time to complete independent technical water quality and petroleum studies regarding oil field operations; and

WHEREAS, on June 18, 2013, a third tour of the seven drill sites was conducted, notices were posted, the public was invited and a Council Member, a member from the Parks and Recreation Commission, the field representative from Senator Lara's office, a reporter from the Signal Tribune, and members of the public attended; and

WHEREAS, the one-year extension of the CUP would expire on September 4, 2013, and although the majority of independent technical water quality and petroleum studies were complete, more time was needed for the data analysis and to determine the scope and establish the roadmap for the environmental review, and SHP reported that DOGGR required a current CUP for operations to continue, therefore staff requested a six-month extension. No new construction or expansion of existing facilities or operations was being proposed; and

WHEREAS, on August 13, 2013, the Planning Commission held a duly noticed public hearing and recommended that the City Council approve a six-month extension of CUP 97-03 subject to conditions which included three new landscape and maintenance conditions; and

WHEREAS, on August 20, 2013, the City Council approved a six-month extension of CUP 97-03; and

WHEREAS, on December 10, 2013, the Planning Commission reviewed and approved the required plans for landscape and maintenance improvements and SHP installed them in January 2014; and

WHEREAS, at the time of approval it was noted that additional extensions were anticipated to complete the environmental review and the time frame could be more accurately estimated once the scope of work for the environmental analysis was established; and

WHEREAS, the six-month extension would expire in February 2014, and although the draft water quality and petroleum studies were expected to be completed, it was anticipated that additional time would be needed to finalize the reports necessary to establish development priorities and a scope of work for the environmental analysis; and

WHEREAS, on January 14, 2014, the Planning Commission held a duly noticed public hearing and recommended City Council approval of a second six-month extension of CUP 97-03. At that time, the water studies were nearly complete; however, the petroleum analysis on the oil field operations was not. The six-month time frame was recommended in order to ensure a rigorous schedule was maintained toward completion of the technical studies; and

WHEREAS, on February 4, 2014, the City Council held a duly noticed public hearing and unanimously approved a longer extension of 10 months, making the CUP valid through December 31, 2014; and

WHEREAS, both the water and petroleum technical reports had been completed and would provide information for two different environmental documents: the Oil Code Amendment, and SHP's future oil field operations; and

WHEREAS, SHP is both an oil producer and a developer in the City. From the perspective of an oil producer, the drill sites are valuable in that they provide

opportunities for new wells. For that reason, SHP indicated their ultimate intention was to obtain a long-term extension. As a developer, SHP recognized that the minimum size of drill sites as required in the SHMC (200' x 200') is larger than needed on a day-to-day basis. They believe a smaller footprint that could be expanded to accommodate routine servicing equipment would optimize areas for new development; and

WHEREAS, from the City's perspective, drill sites are big and difficult to integrate efficiently into new development. In addition, the number of wells citywide has not been reduced to the extent originally envisioned; and

WHEREAS, redevelopment funding was initiated in order to assist local municipalities with development of blighted properties and provide economic benefits. In the past, the Signal Hill Redevelopment Agency (the Agency) teamed with SHP to eliminate costly development constraints and develop projects like Town Center East, Town Center West, the Gateway Center, the Hilltop, and California Crown developments. The Agency historically used a significant portion of redevelopment funds to eliminate constraints associated with oil production such as abandoning oil wells, negotiating oil leaseholds, purchasing surface rights and remediating impacted soils; and

WHEREAS, although the Agency assisted in the development of many successful projects, there remains a large inventory of vacant and impacted properties. The State's elimination of redevelopment poses a significant challenge to the City realizing its vision of becoming a dynamic, economically sound and balanced community. As such, the City must find a viable replacement tool for future development. The City and SHP both have a vested interest in achieving that vision; and

WHEREAS, on November 12, 2014, at a duly noticed public hearing, the Planning Commission unanimously recommended that City Council approve a 30-month extension of CUP 97-03; and

WHEREAS, on December 2, 2014 the City Council held a duly noticed public hearing and unanimously approved a 30-month extension of CUP 97-03. The 30-month extension would allow SHP to continue their oil production activities uninterrupted on the seven drill sites while they developed their vision for a longer-term extension, considered a model for future development and more well positioned drill sites, and for the related environmental analysis; and

WHEREAS, on June 2, 2015, following completion of multi-year technical studies, the City Council unanimously adopted ordinance amendment 15-02 for the Oil Code, establishing regulations and procedures to allow development on top of or in close proximity to abandoned oil wells and; and

WHEREAS, one of the main goals of the original CUP was to promote future development opportunities and with the City's recognition of the extended life of the oil field, it became clear a collaborative partnership with SHP would deliver more strategic, higher quality projects benefiting both organizations. The initial effort focused on two sites. The Central Business District (CBD) site adjacent to Mother's Market and the vacant parcel south of Target; and

WHEREAS, the City at the time was focused on economic development opportunities and the collaborative partnership effort was intended to serve as a template for a comprehensive development agreement for development of multiple properties and potentially additional, strategically positioned drill sites, as well as site clean-up priorities; and

WHEREAS, SHP chose to focus on the CBD site first. The City's General Plan Land Use Element envisioned the area to be a mixed-use development with specialty commercial and high density residential; and

WHEREAS, on February 28, 2017, the City Successor Agency to the Redevelopment Agency unanimously approved an Exclusive Right to Negotiate

Agreement (ENA) with SHP for properties envisioned for the CBD mixed-use development in the General Plan between Cherry and Rose Avenues, and Creston Avenue and Crescent Heights Street. The CBD development and associated Development Agreement between SHP and the City was envisioned to become a template for a future, comprehensive development agreement intended to allow development of multiple properties and potentially additional, strategically positioned drill sites, as well as site clean-up priorities; and

WHEREAS, SHP hired the architectural and planning firm KTGY to prepare a preliminary development concept for the CBD site as described in the General Plan Land Use Element, completed geotechnical investigations, directed KTGY to further refine the development concept plan, and requested a one-year extension of the CUP to allow continued current oil operations while progress on the CBD site design was progressing and to allow time to begin work on a comprehensive development agreement intended to allow development of multiple properties; and

WHEREAS, on May 16, 2017, following a request by SHP for a one-year extension of CUP 97-03, the Planning Commission held a duly noticed public hearing and recommended City Council approval of a one-year extension of CUP 97-03; and

WHEREAS, on June 13, 2017, the City Council held a duly noticed public hearing and unanimously approved a one-year extension of CUP 97-03 to support the collaborative development efforts; and

WHEREAS, on August 27, 2017, the ENA between the City's Successor Agency and SHP expired. Pursuant to the terms of the document, the Successor Agency's Executive Director extended the ENA for 150 days, until January 27, 2018; and

WHEREAS, on March 27, 2018, SHP submitted a letter requesting a one-year extension of CUP 97-03. The letter noted that SHP was committed to the

collaborative effort of working with the City on achieving economic development goals; and

WHEREAS, on April 26, 2018, in preparation for public hearings on the drill sites CUP extension, SHP conducted a tour of all seven drill sites. Tour participants included a Council Member, one member each of the Planning Commission and the Parks and Recreation Commission, City administrators and staff, and one member of the public; and

WHEREAS, on May 8, 2018, the City's Successor Agency unanimously approved an Amended and Restated ENA with SHP related to the CBD properties which would expire on October 14, 2018; and

WHEREAS, on May 15, 2018, the Planning Commission held a duly noticed public hearing and unanimously recommended City Council approval of a one-year extension; and

WHEREAS, on June 12, 2018, the City Council held a duly noticed public hearing and unanimously approved a one-year extension of CUP 97-03, to further collaborative development efforts and in recognition of the progress that had been made on the refinement of the CBD design, the initiation of public outreach efforts by SHP, the commencement of preliminary environmental analysis for the project, and the Amended ENA between the City and SHP which called for additional work to be completed in order to prepare a Development Agreement for the CBD, which would serve as a template for a comprehensive development agreement intended to allow development of multiple properties and prioritize multiple future development properties and potentially additional, strategically positioned drill sites, as well as set site clean-up priorities; and

WHEREAS, from June 2018 to October 2018, SHP conducted additional geotechnical investigations and hired a traffic consultant to begin compilation of traffic and parking data. SHP also sought out similar approved projects in the region for

comparison and assistance with refinement of the conceptual plan for the CBD. The goal was to refine the concept sufficiently to allow a project description to be prepared which would be the necessary foundation of the environmental impacts analysis and for use during developer outreach meetings; and

WHEREAS, on October 9, 2018, the City Council authorized the City Manager to execute a Contract Services Agreement with Michael Baker International (MBI) to begin preparation of an Environmental Impact Report for the proposed Heritage Square CBD; and

WHEREAS, on October 14, 2018, the Amended and Restated ENA with SHP related to the CBD properties expired and no new development agreement has been initiated and the City is still looking to balance the interests of both parties which include the City's need for a long-term economic development tool and SHP's desire for long term certainty to continue their primary function of oil and gas production; and

WHEREAS, on December 4, 2018, following extensive developer outreach by SHP on the CBD project, the City sponsored a Community Meeting held in the City Council Chambers to allow: (1) SHP to present their most current conceptual plans; (2) the environmental consultant to present the California Environmental Quality Act Guidelines (CEQA) process for the environmental analysis and to conduct an environmental scoping meeting; (3) City staff to present the City's project review process as well as next steps; and (4) the public to comment and questions. 46 people attended and 16 commented. The two main items of comment were: (1) the four-story height and density of the residential units wrapping around the parking structure; and (2) the rental apartment use as opposed to an ownership condominium use; and

WHEREAS, the CUP extension was due to expire on June 30, 2019, no further progress had been made on development of a new ENA between SHP and the City, the environmental analysis being prepared by MBI had been put on hold. No

progress had been made on the CBD Development Agreement or on a long-term roadmap to accomplish the balance of interests between the City and SHP; and

WHEREAS, on May 15, 2019, SHP submitted a letter requesting a one-year extension of their CUP but reiterating their desire for a three-year term. A one-year extension was appropriate given SHP's uncertainty regarding a reboot for future development options and project priorities; and

WHEREAS, on May 21, 2019, the Planning Commission held a duly noticed public hearing and unanimously recommended City Council approval of the requested one-year extension; and

WHEREAS, on June 11, 2019, the City Council held a duly noticed public hearing and unanimously approved a one-year extension of CUP 97-03 and at the time, the Council directed staff and SHP to make significant progress on collaborative development efforts during the one-year term. At that time, no further progress had been made on plans for the Heritage Square CBD project following concerns expressed at the community meeting held in December 2018. SHP had also reported that they had purchased the Majestic Golf Driving Range property at East Willow Street and Orange Avenue and indicated their interest in developing the property, which at that time was not considered an economic development project; and

WHEREAS, in 2019, the City began to prepare for the 6th Cycle Housing Element Update (HEU). The HEU occurs under State mandate every eight years and includes identification of properties to be zoned to accommodate the Regional Housing Needs Assessment (RHNA) allocation of residential units required to be accommodated during that Cycle. The 6th Cycle RHNA was estimated to be 516 units, and was later increased to 517 units, which was three times greater than the RHNA for the 5th Cycle. The City reached out to several property and business owners, including SHP, to begin identification of potential sites for housing; and

WHEREAS, in 2020, the development landscape had shifted based on a number of external factors including real estate, retail, and housing trends, and market interest shifted away from traditional retail to an increased demand in the industrial and housing categories. These economic realities are also reflected in the legislative landscape and the City's requirement to prepare its 6th Cycle Housing Element Update; and

WHEREAS, the City decided to reboot the collaborative planning efforts with SHP to include both economic development, and housing development to accommodate the 6th Cycle RHNA allocation. The City Council established a subcommittee of two City Council members, to focus on identifying housing sites and making progress on long-range planning for economic development. The Council subcommittee identified desirable characteristics for housing sites including being centrally located near shopping and civic amenities, maximized trails, open space, and public art, incorporation high-quality design and place-making, and celebration of views; and

WHEREAS, SHP is the primary landowner in Signal Hill and has developed many residential projects in the City and is interested in future residential development opportunities given the strong residential market; and

WHEREAS, SHP is also interested in economic development opportunities, they engaged the architectural and design firm KTGY to prepare framework booklets to map and illustrate potential sites for future economic and housing development and to include the guidance from the Council subcommittee; and

WHEREAS, SHP has recently partnered with Target to remodel the store, add retail/restaurant pads and a self-storage facility (Gateway Center North). The project retained a large sales-tax producer and included additional community benefit fees generated by the self-storage facility. The economic benefit of the ongoing fees, the long-

term retention of Target, and the creation of a commercial center capable of generating additional jobs for local residents and increased sales tax was viewed as a win for all; and

WHEREAS, following the earlier purchase of the Majestic Golf Land driving range property at 2550 Orange Avenue, SHP completed well discovery and methane leak testing on 18 abandoned wells on the property in 2020, and in 2021, SHP abandoned four active wells. SHP has teamed with CenterPoint, an industrial developer, who has submitted conceptual plans to develop an industrial warehouse facility. The City's Plan Lines Map shows that the property is within a Traffic Study Area (TSA), which requires an analysis and report proposing completion of street circulation for several surrounding streets that have not yet been designed. CenterPoint is in the process of working with the City's Traffic Consultant and staff to prepare the TSA report. SHP is prepping the site for development and removing obsolete pipelines and oil related facilities; and

WHEREAS, on May 25, 2021, the City Council adopted a zoning ordinance amendment and approved the associated CEQA document for the Gateway Center North (SP-12) Specific Plan. The approval included adoption of a Development Agreement Ordinance between SHP and the City for ongoing community benefit fees generated by the self-storage facility. The economic benefit of the ongoing fees, the long-term retention of Target and the creation of a commercial center capable of generating additional jobs for local residents and increased sales tax was a win for all; and

WHEREAS, prior to the June 30, 2020, expiration of the drill sites CUP, SHP requested an eighth extension and reiterated their desire for a long-term extension. Given the progress being made on the collaborative long-range planning efforts for both housing and economic development sites, the City and SHP agreed to postpone a short-term extension to focus on furthering negotiations on long-range economic development and selection of housing sites; and

WHEREAS, over the last two years, staff has worked diligently with SHP to advance the stated goals of the collaborative development model and based on the

progress to date and additional time needed to complete negotiations to incorporate relevant sites, staff is recommending an extension from the original June 30, 2020, deadline. During the extension, staff will complete the Housing Element update and associated re-zonings and environmental document (already in progress). A long-term CUP will also require a CEQA document, which is anticipated to be completed two years with the year-one tasks to include City circulation of a Request for Proposals for an on-call CEQA consultant whose duties will include conducting an environmental analysis for a long-term drill sites CUP extension and development of a scope of work for the CEQA analysis, and year-two tasks to include preparation of a comprehensive CEQA analysis document by the CEQA consultant to accompany the long-term CUP extension; and

WHEREAS, the legal descriptions and map of said consolidated oil and gas drilling, production, storage, processing, and shipping facilities are shown on Exhibits A and B attached hereto; and

WHEREAS, in accordance with SHMC Section 20.64, entitled, “Uses Subject to Conditional Use Permits,” the subject request is properly a matter for Planning Commission review and recommendation to the City Council for approval; and

WHEREAS, on July 20, 2021, the Planning Commission held a duly noticed public hearing and recommended the City Council approve a two-year extension of CUP 97-03 with an expiration date of July 30, 2023; and

WHEREAS, on July 30, 2021, notice of a City Council public hearing to be held on August 10, 2021, for the requested two-year extension of CUP 97-03 was mailed to all property owners within 300 feet of the seven drill sites, was published in the Signal Tribune newspaper, and was posted according to SHMC 01.08.010; and

WHEREAS, pursuant to Article 19, Section 15301, Existing Facilities, of CEQA, approval of a two-year extension of CUP 97-03 is a Class 1 Categorical Exemption from the provisions of CEQA in that it involves no expansion of an existing use; and

WHEREAS, CUP 97-03 and all material relevant to CUP 97-03 including the previously approved MNDs were made available for public review and comments; and

WHEREAS, on August 10, 2021, a public hearing was held before the City Council, and all interested parties were given an opportunity to be heard regarding the request.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Signal Hill, California, has considered the public comments and does hereby find as follows:

Section 1. California Environmental Quality Act. The Planning Commission is recommending City Council, using its independent judgement, and pursuant to Article 19, Section 15301, Existing Facilities, of CEQA, approval of a two-year extension of CUP 97-03 is a Class 1 Categorical Exemption from the provisions of CEQA in that it involves no expansion of an existing use.

Section 2. Findings. Pursuant to SHMC Section 20.64.070, the Planning Commission is recommending City Council approval of the two-year extension of CUP 97-03 based on the following findings:

A. That the proposed extension to CUP 97-03, subject to the attached conditions is in conformity with the General Plan, the Zoning Ordinance, the Oil and Gas Code, and other ordinances and regulations of the City, and the following goals and policies of the General Plan.

B. The drill sites for the extension of CUP 97-03 are adequate in size and shape to accommodate the use and all yards, spaces, walls and fences, parking, loading, landscaping, and other features required by this title to adjust the use with land and uses in the neighborhood.

Consistent. The proposed two-year extension of CUP 97-03 for the drill sites use, subject to the attached conditions, is in conformity with the following General Plan Goals and Policies:

LAND USE ELEMENT GOAL 1 – Manage growth to achieve a well-balanced land use pattern that accommodates existing and future needs for housing, commercial and industrial land, open space, and community facilities and services, while maintaining a healthy, diversified economy adequate to provide future City revenues.

Land Use Policy 1.6 – Ensure an adequate supply of commercial and industrial land for potential commercial and industrial expansion and development.

Finding Regarding Policy 1.6 – CUP 97-03 is for seven existing oil and gas drill sites. Drill Site One is located within and operates in harmony with the Gateway Center commercial center. No additional drill sites, or changes to existing operations which could impact the adequate supply of commercial and industrial uses are being proposed at any of the existing sites by the two-year extension.

Land Use Policy 1.7 – Broaden the City's tax base by attracting commercial and industrial development to the City which will provide economic and employment benefits to the community while ensuring compatibility with other general plan goals and policies.

Finding regarding Policy 1.7 – CUP 97-03 is for seven existing oil and gas drill sites. The two-year extension allows the oil and gas operations to continue uninterrupted, which benefits the City of Signal Hill by providing continued oil and gas related income. The long-range master planning for potential development of properties containing drill sites includes consideration of new mixed-use commercial/residential development as well as industrial development.

LAND USE ELEMENT GOAL 2 – Ensure that new development is consistent with the City's circulation system, availability of public facilities, existing development constraints, and the City's unique characteristics and natural resources.

Land Use Policy 2.5 – Ensure an orderly extension of essential services and facilities and the preservation of a free-flowing circulation system, by requiring the provision of essential services and facilities at the developer's cost where these systems do not exist or are not already a part of the City's financed annual Capital Improvement Program.

Finding Regarding Policy 2.5 – The two-year extension does not change the fact that each consolidated drill site has an existing access road to accommodate vehicular access and work areas within the fences or walled area to accommodate oil well drilling and petroleum and gas production and processing operations.

LAND USE ELEMENT GOAL 3 – Assure a safe, healthy, and aesthetically pleasing community for residents and businesses.

Land Use Policy 3.2 – Enhance the interface between existing and future development and oil production activities to protect the access to the resource while mitigating adverse impacts of oil field operations within urban areas.

Finding Regarding Policy 3.2 – The extension considers that each consolidated drill site is enclosed with a fence or wall which clearly defines the size and shape of the operation areas and allows adequate access. Drill site perimeters are required to be landscaped and maintained and an annual inspection of all CUPs is conducted to insure proper maintenance and operations.

Land Use Policy 3.3 – Ensure a sensitive transition between commercial or industrial uses and residential uses by means of such techniques as buffering, landscaping and setbacks.

Finding Regarding Policy 3.3 – CUP 97-03 has conditions for screening and landscaping the sites. A noise study was conducted for certain operations which were found to operate within established noise limits and the sites have been in operation under CUP 97-03 since 1998. These conditions will continue with the two-year extension.

Land Use Policy 3.11 – Maintain and improve, where necessary, the City's infrastructure and facilities.

Finding Regarding Policy 3.11 – The drill sites and associated power facilities have been in operation since the unitization program in the 70's and 80's and will continue under the two-year extension. The gas turbine facility approved in 2002 efficiently generates electricity to power the facilities which previously had been purchased from major power producers and it also produces high quality gas which is sold to the Long Beach Gas Company.

ENVIRONMENTAL RESOURCES ELEMENT Goal 4 – Manage the production of economically valuable resources in the City to achieve a balance between current market forces and long-term community values.

Environmental Resources Element Policy 4.1 – Improve the interface between oil production activities and urban development, both for existing and new projects.

Environmental Resources Element Policy 4.2 – Encourage the development and production of natural resources that are demanded by the market, and that release land for urban uses at a reasonable and controlled rate.

Environmental Resources Element Policy 4.3 – Require the restoration and reuse of land no longer necessary or economical for oil-production activities.

Environmental Resources Element Policy 4.4 – Minimize and eliminate, where feasible, the adverse environmental impact of resource-production activities. Also, provide adequate setback and open space where oil-production activities continue adjacent to urban development.

Finding Regarding Policies 4.1 – 4.4 – The following conditions will remain under the two-year extension:

1. The sites for the use are adequate in size and shape to accommodate the existing consolidated drilling and petroleum and gas processing facilities.
2. The consolidated drilling, petroleum and gas processing facilities, including the newer gas processing equipment, are located on or near major roadways adequate to carry the service, transport and delivery trucks required for the proposed operations.
3. Continued operation of the seven consolidated drilling, petroleum and gas processing facilities and the addition of the new gas processing and turbine facilities have no adverse effects on abutting properties or the permitted uses. The CalGEM and the Signal Hill Oil Code regulate the drilling of oil wells and establish standards to regulate noise and other effects associated with such operations, including the production and processing of petroleum and gas.
4. Existing fences, walls, and landscaped areas around the perimeters of the consolidated drill sites provide an effective buffer between existing surrounding uses and uses permitted by the existing zoning.
5. The Conditions of Approval attached hereto are deemed necessary to protect the public health, safety, and general welfare.

Section 3. The seven drill sites relate to the Streets and Highways Element of the General Plan and are adequate in width and pavement type to carry the quantity and kind of traffic generated by the proposed use.

Section 4. The proposed use will have no adverse effect on abutting properties or the permitted use thereof in that they have been in operation under the CUP since 1998.

Section 5. The conditions of approval are deemed necessary to protect the public health, safety, and general welfare.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Signal Hill does hereby approve a two-year extension of CUP 97-03 subject to the conditions attached hereto as Exhibit C and incorporated herein by reference.

Notwithstanding the foregoing, this Resolution shall not be effective unless and until the two-year extension of CUP 97-03 becomes effective.

PASSED, APPROVED, AND ADOPTED, at a regular meeting of the City Council of the City of Signal Hill, California, on this 10th day of August 2021.

EDWARD H. J. WILSON
MAYOR

ATTEST:

CARMEN R. BROOKS

CITY CLERK
CITY OF SIGNAL HILL)
COUNTY OF LOS ANGELES) ss.
STATE OF CALIFORNIA)

I, CARMEN R. BROOKS, City Clerk of the City of Signal Hill, California, do hereby certify that Resolution No. 2021-08-XXXX was adopted by the City Council of the City of Signal Hill, California, at a regular meeting held on the 10th day of August 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CARMEN R. BROOKS
CITY CLERK