May 6, 2024

San Luis Obispo County Department of Planning & Building 976 Osos St., Rm 300 San Luis Obispo, CA 93408

Attention: Susan Strachan

RE: Phillips 66 Santa Maria Refinery Demolition and Remediation Project Draft Environmental Impact Report (DEIR) State Clearinghouse #2023050020 and Development Plan/Coastal Development Permit (DP/CDP) #C-DRC2022-00048/ED23-054).

Please consider the following comments in connection with the above-referenced project. Fundamentally, the proposed project includes the demolition and remediation of the former oil refinery on approximately 218 acres. As a practicing land use professional in San Luis Obispo County for over forty years, I wish to express my support for the project as proposed. The DEIR is detailed, and I concur with the recognized Environmentally Superior Alternative, as the proposed project.

Background

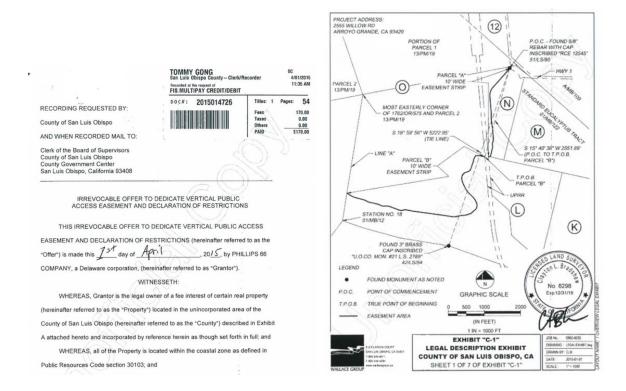
In 2013 Phillips 66 received approval for an increase in throughput by ten percent (10%). This allowed the Santa Maria Refinery to substantially increase its processing of crude oil. Final approval of the project was received from the Board of Supervisors on February 26, 2013. Condition No. 17 (shown below) relates to the provision of vertical public access to the ocean and was required as a condition of approval. Subsequently, Phillips 66 formerly withdrew the project, however the condition and its requirements remains in effect.

Coastal Access

17. **Prior to issuance of the Notice to Proceed authorizing an increase in Refinery throughput**, the applicant shall comply with Section 23.04.420 — Coastal Access Required. Construction of improvements associated with vertical public access (if required) shall occur within 10 years of the effective date of this permit (including any required Coastal Development Permit to authorize such construction) or at the time of any subsequent use permit approved at the project site, whichever occurs first. The approximate location of the vertical access required by this condition of approval shall be located within or immediately adjacent to the existing maintenance road as shown in Exhibit D — Project Graphic (Coastal Access Location Map 1 and 2).

On April 1, 2015, an Offer to Dedicate (OTD) for vertical coastal access for the public was recorded in satisfaction of the above referenced condition. Pursuant to the condition, Phillips 66 was required to design, permit and construct a 10-foot-wide public access by February 2023, as shown below. Considering the refinery is closing, it would appear incongruous for Phillips 66 to be required to permit and build the previously contemplated improvements. An element of developing public access relates to the acceptance of the outstanding OTD, ostensibly by a public agency, such as California State Parks. However, at this time it is unclear who will own the subject property in the future. The Offer to Dedicate is an appurtenance and as such will "run with the land" and remain in effect until March 31, 2036. However, the DEIR recommends the OTD be modified to extend the possible acceptance into perpetuity, and I agree with this approach. Likewise, in further consideration of removing applicant responsibility for the access development, this commenter suggests the 10-foot wide OTD be enlarged to 60 feet. The practical basis for such a request is discussed later as Proposed Modification of Condition No. 17.

Additional details of the roughly 1.5 mile long, 10-foot wide OTD and the horizontal alignment in Exhibit C-1 are provided below:





Need for Easement (oblique view of OTD alignment into the ODSVRA)

In the event the State of California does not acquire the land underlying the OTD, they may need a sufficiently sized alignment to accomplish a southern access to the ODSVRA if that opportunity presents.

J. H. EDWARDS COMPANY

A REAL PROPERTY CONCERN

Specializing in Water Neutral Development



ODSVRA Land Ownership & Management / Condor Environmental Alternative Access Study 2006

Since 1980, the State of California Department of Parks and Recreation has controlled the approximately 626-acre Phillips 66 land holding west of the Union Pacific Railroad tracks as shown above. The "AGREEMENT AND GRANT OF DEVELOPMENT RIGHTS" was executed by Union Oil Company of California, then owner of the Santa Maria Refinery. Please see a copy of the agreement attached.

Moreover, the 1982 Coastal Development Permit for the ODSVRA contemplated Pier Avenue being temporary in nature with prospects for a permanent southern entrance, presumably south of Arroyo Grande Creek. The primary impediment facing State Parks in establishing a southern entrance and staging area is the absence of available land. Given the existing OTD, coupled with a modified condition of approval as suggested, could address the land acquisition issue. A 60-foot wide OTD is necessary to co-locate a single multi-purpose vertical accessway to minimize ground disturbance and to comply with California Public Utilities

Commission rules against public at-grade crossings. While the proposed components may be more long-term in nature, following portions of the site cleanup, the question of access is very much in the fore. In other words, the entrance to the ODSVRA at Phillips 66 can be achieved in the near-term through adequately sizing the vertical access now with the possibility of State Parks accepting the OTD.

Nexus and Rough Proportionality

It would appear reasonable to modify the recorded OTD considering the totality of circumstances. Concerning the nexus to establish a further condition regarding public access because the demolition and remediation project triggers an analysis with respect to CZLUO 23.04.420. In this case, while Phillips 66 would be expanding the land dedication, it would simultaneously be relieved of any current or future obligation relative to the development of the accessway.

The original OTD requirement was part of the throughput project. The condition established the width at the **minimum** distance as provided in the CZLUO. The timing of the expanded OTD also coincides with what may be a final judicial resolution regarding prior Coastal Commission efforts to close the ODSVRA. There is a clear public purpose and benefit from requiring a modified OTD irrespective of the outcome of the ODSVRA at this time.

Lastly, regarding rough proportionality, at the requested width of 60 feet for approximately one and one-half miles, the dedication equates to 9 additional acres as compared to the 10' OTD acres and as a percentage of the entire Phillips 66 land holding of approximately 1640 acres, it represents approximately five tenths of one percent (.05).

Proposed Modification of Condition No. 17

- 1. Expand the existing ten-foot (10') wide vertical access easement to sixty-feet (60') wide from State Hwy 1 / Willow Road to the westerly edge of the Phillips 66 property.
- 2. Eliminate any obligation on the part of Phillips 66 Company to plan, permit and construct improvements over the easement at any time.
- 3. Modify the 21-year duration of the OTD to be in perpetuity.
- 4. Phillips 66 would only be required to record an amendment to the OTD to effectuate the above provisions including a new metes and bounds legal description.

5. A 10-foot wide OTD is inadequate to provide sufficient space to construct an under-track structure or rail bridge to conform to public rail crossing provisions per Union Pacific Railroad Public.

At some point, California State Parks or other entity may be able to accept the OTD and it would be their responsibility to plan, permit, construct, operate, and maintain the new vertical coastal public access to the ODSVRA. Likewise, whomever accepts the OTD, they would be responsible for working with Union Pacific Railroad and the California Public Utilities Commission to design a railroad crossing that conforms to the Union Pacific Railroad Public Projects Manual dated July 30, 2021.

Respectfully,

Jeff Edwards
Jeff Edwards

Attachment-AGREEMENT AND GREANT OF DEVELOPMENT RIGHTS

RES 3317 265.1300100

AGREEMENT AND GRANT OF DEVELOPMENT RIGHTS

This Agreement, made and entered into this 8th day of Opril 1980, by and between UNION OIL COMPANY OF CALIFORNIA, a California Corporation, hereinafter called "COMPANY", and the STATE OF CALIFORNIA, acting by and through the DEPARTMENT OF GENERAL SERVICES with the approval of the DEPARTMENT OF PARKS AND RECREATION, hereinafter called "STATE";

WHEREAS, STATE PUBLIC WORKS BOARD proposes to purchase certain property from the UNION OIL COMPANY as an addition to Pismo Dunes State Vehicular Recreation Area as shown on attached Acquisition Plan identified as Drawing No. 15651 marked Exhibit "A";

WHEREAS, in addition to this purchased property COMPANY proposes to grant to STATE the right, estate, and interest to occupy and use and to prevent the further development during the term hereof of an adjacent parcel of land for specific Buffer Zone purposes in connection with the operation and maintenance of lands within Pismo Dunes State Vehicular Recreation Area;

WHEREAS, COMPANY shall retain ownership of other real property contiguous and adjacent to the Buffer Zone and conduct various industrial uses and operations on said other real property next to the Buffer Zone.

WHEREAS, it is in the interest of the parties hereto to enter into this Agreement for the purposes and on the conditions hereinafter referred to;

NOW, THEREFORE, the parties hereto hereby mutually agree as follows:

15651

1. STATE shall use, operate, and maintain said parcel only as a part of the State Park System for the purpose of providing a buffer zone, between other property of the STATE and other property owned by COMPANY adjacent to said parcel, and for uses and operations consistent with providing a buffer zone which shall include security patrol or emergency access, preservation of scenic values, natural interpretation through guided tours, preservation, maintenance, preventive maintenance, or rehabilitation of existing land conditions such as dunes, dune foliage, wetland, flora and fauna habitats, and such other uses as are consistent with the Buffer Zone concept described herein.

- 2. STATE shall not allow entry upon or occupancy of said parcel by the general public or by anyone for uses other than as described herein, or any use, except as provided for herein, which requires access to said parcel by anyone other than State Park System personnel, other relevant employees or agents, or contractors of the STATE without express written consent of COMPANY.
- appropriate warning markers along the boundary between the State Park System and said parcel and prohibit access except as herein provided to the buffer area within said parcel. STATE shall maintain and place warning markers on COMPANY's existing fence and any fence subsequently installed within said parcel along said western edge of the railroad right of way. COMPANY and STATE shall have the right to use COMPANY's existing gate for access to said parcel at all times. Except as herein provided STATE shall not be required to expend funds for development within said parcel.
- 4. COMPANY may use and occupy that portion of said parcel indicated in blue and labelled "Company Use Area" on Exhibit A for uses necessary and beneficial to COMPANY's other real property in the area and operations thereof and not inconsistent with the Buffer Zone concept and the provisions of this Agreement; provided, however, that COMPANY may not further develop or expand operations on said parcel except to maintain, repair, replace, or reconstruct existing facilities or to construct such other new facilities as are approved in writing by the STATE as consistent with the Buffer Zone concept in the reasonable opinion of the STATE. COMPANY and STATE hereby agree that uses in the Company Use Area which are not inconsistent with the Buffer Zone concept include, but are not limited to the following:

- -- storage of non-operating equipment and non-hazardous materials such as pipes, construction materials, pumps, product containers, and such protective shelters as may be required.
- -- inspection, access, maintenance and security patrols; and
- -- use of Company Use Area on a short-term basis as a staging or prefabrication area during construction of improvements or repairs to facilities on COMPANY's other real property in the area.

COMPANY and STATE agree that the following uses in the Company Use Area would be inconsistent with the Buffer Zone concept: employee or contractor parking, temporary office or trailer facilities, additional permanent structures, including climate controlled storage facilities, warehouses which require utility service or other operational equipment.

COMPANY shall maintain existing pipelines and other existing facilities and operations in said parcel and shall have reasonable rights of access, use, and maintenance of such pipelines and facilities.

Notwithstanding any description herein of non-permitted uses in the Company Use Area or Buffer Zone to the contrary, COMPANY shall retain the right to develop its subsurface rights in drill sites located at mutually agreeable sites within the Buffer Zone, to install, operate and maintain the equipment and facilities required to develop the subsurface resources and to have necessary access to pipelines and other required facilities in the Buffer Zone to support such drill sites.

- 5. STATE shall not be responsible for the protection, care, maintenance, or control of any property or equipment stored in or placed by or for COMPANY within said parcel, anything herein to the contrary notwithstanding.
- 6. COMPANY and its employees, agents and contractors, subject to the limitation on development, and disturbance of STATE improvements as herein provided, shall at all times retain the right to enter said parcel to observe, inspect, test, study, and otherwise monitor conditions on the entire parcel for purposes of determining STATE'S adherence to the terms of this Agreement, the condition of the parcel, possible effect of changing conditions of said parcel on COMPANY'S other real property and operations in the area, and such other purposes as are consistent with this Agreement. Except for the uses described herein as reserved to COMPANY, STATE'S occupancy of the parcel shall be exclusive, and COMPANY shall not assign or delegate or otherwise transfer its retained rights hereunder except as they may be transferred with said parcel or said other real property.
 - 7. The right, estate, or interest of STATE under this Agreement shall be terminable on 30 days written notice to STATE by COMPANY in the event STATE after 90 days written notice specifying a breach of this Agreement does not cure or diligently carry out work to cure any breach of the restriction, covenants, or obligations upon STATE under this Agreement, or on written notice in the event any condemnation proceedings are initiated by the STATE, or on written notice in the event any other Agency with eminent domain powers establishes a more necessary public use than the STATE.

- 8. COMPANY does not warrant or represent the appropriateness of said parcel for the use as a buffer zone for Pismo Dunes State Vehicular Recreation Area and by execution of this Agreement does not establish, alter, waive or modify, or expand the responsibilities, liabilities or obligations of COMPANY with regard to conduct of activities on its adjoining real property which is being used for operation of an oil refinery, coke plant, and similar activities.
- 9. COMPANY and STATE agree to provide each other with current information, schedule and description of all personnel, equipment and material using or occupying during the term of this Agreement, said parcel two weeks prior to such occupation or use; and in circumstances requiring prompt action, as conditions permit, so that COMPANY and STATE may coordinate such use and prevent or minimize any inference, risk, or damage.
- 10. STATE hereby covenants and agrees, to extent it may legally do so and subject to availability of funds, to indemnify COMPANY against liability, losses, damages, or costs which COMPANY may suffer as a result of claims, demands, or judgments against it resulting from a negligent act or omission by STATE except such as arise out of the concurrent or sole negligence of COMPANY or by reason of the use of said parcel by COMPANY as herein provided.
- 11. It is understood and agreed that this Agreement and the right, estate, and interest herein given may be terminated by STATE by giving one hundred eighty (180) days written notice to COMPANY.

12. Any notice, demand, or request required or authorized by this

Agreement to be given or made to or upon STATE shall be deemed properly given

or made if delivered by certified mail, postage prepaid to: State of

California, Department of Parks and Recreation, P.O. Box 2390, Sacramento,

CA 95811.

The notice, demand, or request required or authorized by this

Agreement to be made to or upon COMPANY shall be deemed properly given or made

if delivered by certified mail postage prepaid to the Union Oil Company of

California, P.O. Box 7600, Los Angeles, CA 90051, Attention: Vice President,

Refining and Supply, 76/w (and a copy to Manager, Santa Maria Refinery, Union

Oil Company of California, Route 1, Box 7600, Arroyo Grande, CA 93420).

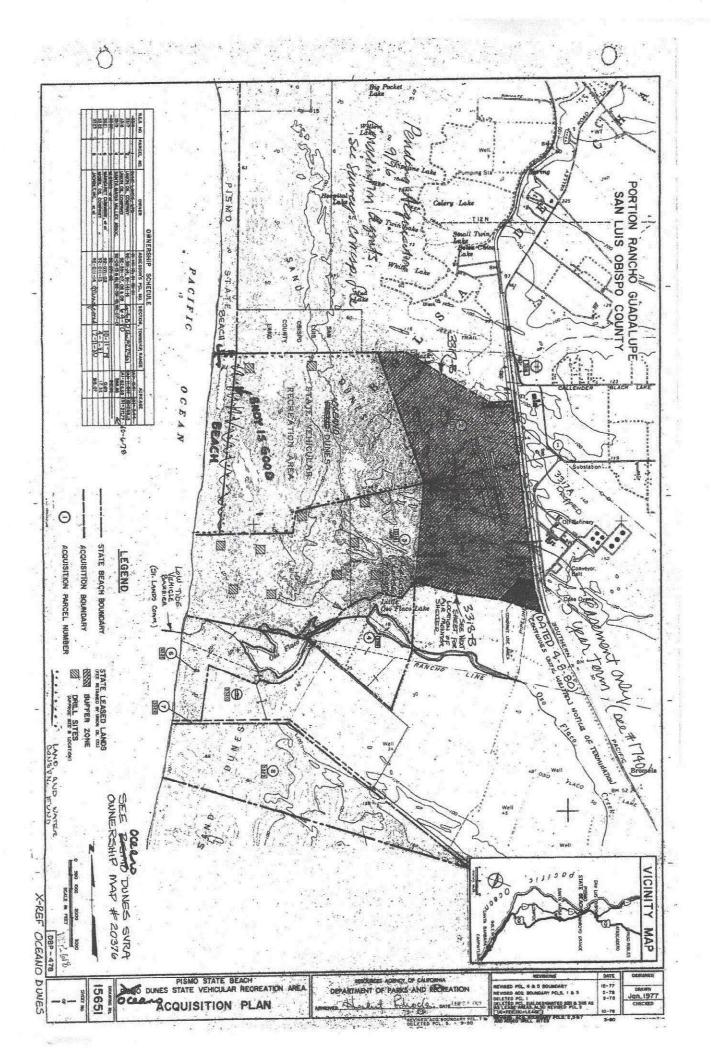
The designation of the person to or upon whom any notice, demand, or request is to be given or made, or the address of any such person may be changed at any time by notice given in the same manner as provided in this article for other notices. Nothing herein shall preclude the giving of notice by personal service.

- 13. All obligations of STATE under this Agreement are subject to availability of funds appropriated therefor. Failure of STATE to meet its obligations hereunder because of non-availability of funds shall constitute a breach of this agreement for purposes of paragraph 7.
- 14. Anything herein to the contrary notwithstanding, COMPANY shall not damage or disturb any boundary marker, fence, warning marker, or any other STATE improvement to said parcel, permitted by this Agreement. After the end

of the term hereof or the sooner termination thereof, STATE may, at the STATE'S option, remove any boundary marker, fence, warning marker, or any other STATE improvement to said property. All such material and improvements shall be the property of the STATE.

- 15. If the COMPANY'S right to terminate the right, estate, and interest granted to STATE under this Agreement is exercised effective before the end of the twelfth year under this Agreement, COMPANY agrees to pay STATE one-half of the COMPANY necessarily incurred actual costs to install the fence, required to be installed by Property Acquisition Agreement dated April 1,900 between COMPANY and STATE, over and above the estimated salvage value, if any, of said fence.
- 16. STATE agrees not to unreasonably withhold approval of a license or permit issued to the property owner adjoining Black Lake to permit such owner to enter the portion of said parcel immediately adjacent to Black Lake to do erosion control work to control sand dune movement which is otherwise consistent with the terms and conditions of this Agreement.
- 17. Except as expressly provided herein there is no intent by COMPANY to dedicate said parcel to public use or waive any of its rights regarding said parcel.

STATE OF CALIFORNIA	\$
DEPAREMENT OF GENERAL SPRVICES	
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DEPARTMENT OF PARKS AND RECREATION	1111-
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R-8953c Deputy Director DATE	Date april 8, 1980
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PARTMENT OF PARKS AND RECREAT

TRANSFER OF JURISDICTION CONTROL SHEET

To: Real Estate Services

650 Howe Avenue

Sacramento, CA 95825

Attention: Jerry Heminger

Date: 8/27/81

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PARCELS 3318A (626.58 acr	es) Union Oil	Company #788,425	
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Transfer on Acquisition Area	acquired in	fee, 1010 - 383.42 = 626.58	
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Instructions to R.E.S.			
Lease back (G.S. to Control)		_	
Special Conditions 3318B (371.77 acres	leased by Parks concessions)	
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STATE OF CALIFORNIA - THE RESOURCES AGENCY

TRANSFER OF JURISDICTION CONTROL SHEET

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rom: Department of Parks and Recreation Acq. Div. Proper Roland P. Foos,	ty Acquisition and Ownership Records
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PARCELS 3319 (366.86 acres) Santa Maria Valley	DBP 476
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CEPARTMENT OF PARKS AND RECREATION

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Date: 1-16-81

Richard E. Felty Regional Director Central Coast Region 2211 Garden Rd. Monterey, CA 93940

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