



VENTURA
PORT DISTRICT
Established 1952

BOARD OF PORT COMMISSIONERS

NOVEMBER 15, 2017

STANDARD AGENDA ITEM 4

VENTURA SHELLFISH ENTERPRISE SITE
SELECTION ALTERNATIVES

VENTURA PORT DISTRICT
BOARD COMMUNICATION

STANDARD AGENDA ITEM 4
Meeting Date: November 15, 2017

TO: Board of Port Commissioners
FROM: Everard Ashworth, Chairman
Oscar Peña, General Manager
Brian Pendleton, Business Operations Manager
SUBJECT: Ventura Shellfish Enterprise Site Selection

RECOMMENDATION:

That the Board of Port Commissioners authorize the General Manager to:

- 1) Prepare and submit permit applications to the U.S Army Corps of Engineers (USACE) for use of 2,000 acres of sea water bottom in federal waters near Ventura Harbor in Block 665, the area generally depicted and described as Alternative #8 for the Ventura Shellfish Enterprise (VSE) project; and,
- 2) Prepare and submit all other applications to local, state and federal agencies as required for the VSE project; and,
- 3) Prepare all necessary surveys, studies, reports and federal environmental review documents as directed by local, state and federal agencies as required for the VSE project; and,
- 4) Return to the Board if there are any material changes to the proposed locations for federal permits for the VSE project resulting from the permitting and/or environmental review processes.

SUMMARY:

On October 11th, the Board of Port Commissioners received a report on the Ventura Shellfish Enterprise (VSE) site selection workshops and siting alternatives. The VSE team has continued to evaluate public comments received by stakeholders in response to the siting alternatives (Alternatives #1-#7) in and around the identified candidate area in state waters. As a result, the VSE team expanded its site search to include areas in federal waters near Ventura Harbor. This search has led to the development of Alternative #8, which is the recommended alternative for VSE project siting and preparation of permit applications. The location of Alternative #8 is depicted and described in Attachment 1. The preparation of permits and initial supporting documentation will take approximately 4 months and is subject to federal environmental review once permit applications are received. This environmental review and permitting process is estimated to take approximately one year from the time applications are received. Therefore the VSE team estimates permit issuance in the 1st quarter of 2019 as shown in the Permit Application Sequencing Timeline in Attachment 2.

BACKGROUND:

Project Goals

Increasing the supply of safe, sustainably produced domestic seafood is a priority of the State Legislature, NOAA and the Department of Commerce. The Ventura Shellfish Enterprise (VSE) is a multi-party initiative that seeks to permit twenty 100-acre plots for growing the Mediterranean mussel (*Mytilus galloprovincialis*) via submerged long lines within the Santa Barbara Channel near Ventura Harbor. The Ventura Port District (VPD) received a substantial sub-award from a \$300,000 NOAA 2015 Sea Grant for the proposed project in support of these goals. As part of the 2015 Sea Grant, the VSE developed a Strategic Permitting Plan previously provided to the Board and made available to stakeholders and the public. This Strategic Permitting Plan provides a great deal of information about project goals, objectives and regulatory requirements and can be found online at venturshellfishenterprises.com. However for the District there are several key factors that align between its mission, goals and the proposed project as summarized below:

- Maintaining a safe and navigable harbor;
- Diversification of commercial fishing opportunities to benefit the fishing industry, local and regional economies;
- Continued priority (as a commercial fishing harbor) for federal funding appropriations for annual dredging of the federal harbor entrance.

Public Outreach

The VSE team hosted a series of public educational workshops this year regarding the proposed project. In total there have been 10 educational and site selection workshops since January. Of these, three workshops were held to engage with stakeholders to identify the location of twenty 100 acre parcels within a broader area of interest that was identified through use of a spatial planning tool developed by the Bren School of Environmental Science and Management at UC Santa Barbara (UC Bren School). The focused site selection workshops were held at the Four Points Sheraton Hotel in our Harbor on July 11th and 13th and the final workshop was held on August 9th. While in-person participation was strongly encouraged, individuals who were not able to attend the meetings were provided the opportunity to comment on site selection through SeaSketch linked to *venturashellfishenterprise.com*. Notice of the site selection workshops was mailed out to over 500 commercial fishing vessel owners between Goleta and Port Hueneme; additionally, VSE coordinated with NOAA representatives and commercial fishermen to encourage their attendance. VSE also contacted all of the individuals that have registered through the VSE website. This marine spatial planning opportunity was available through Wednesday, August 9th, the date of the final site selection meeting. The *venturashellfishenterprise.com* website continues to be used to communicate with interested parties who registered on the website.

During and after the site selection workshops the Board of Port Commissioners has received written and oral reports on the site selection process at four public meetings held on July 26th, September 13th and 27th and October 11th.

Initial Candidate Area Considerations

The initial candidate area in state waters was selected by the VSE with the assistance of analysis prepared by the UC Bren School. The selection of the candidate area is detailed in the Strategic Permitting Plan; however some key considerations are summarized here. They include suitability of the candidate growing area for mussels such as water depth and ocean bottom; location in State waters near Ventura Harbor for product landing; avoidance of potential pollution sources; and avoidance of conflicts with existing subsurface leases for oil and gas pipelines, etc. Stakeholder considerations are discussed below.

Since the original candidate area was identified over two years ago, VSE has come to realize that the minimum depth to support the mussel growing activities should be adjusted from 60 feet to 80 feet. This depth is consistent with the only permitted mussel farm that can sell Mediterranean Mussels (Santa Barbara Mariculture, which is located in 80 feet of water off Hope Ranch), and with guidance that VSE has received from its aquaculture specialist – Scott Lindell, Woods Hole Oceanographic Institution. The minimum of 80' reduces exposure to various predator species (i.e. ducks) and potential storm surge, while the upper-end range of approximately 115' provides opportunities to scale operations.

Siting Considerations and Expanded Candidate Area

With high levels of stakeholder engagement, ranging from existing users of the candidate area to prospective grower producers and aquaculture industry experts, the VSE team with Board concurrence expanded its site search to include areas in federal waters near Ventura Harbor. Specifically the expanded candidate area comprises 200,000 acres in both state and federal waters in Blocks 651, 652, 664, 665, 666. To understand this scale, the proposed VSE project represents 2,000 acres or 1% of this 5 block area.

Additionally the VSE team has established criteria on which to evaluate and prioritize each siting alternative. As a result, the VSE team constructed a siting decision matrix to quantify the benefits of each potential siting configuration, and assist the Board in its decision-making process. The stakeholder engagement process supported the identification of key factors upon which to assist siting configuration decision making. Each of the criteria was assigned a weight based on perceived relative importance to achieving optimal operational capacity and minimizing potential user conflicts and environmental impacts. Siting alternatives were then scored using a rating system that corresponds to preferences identified by the VSE team as shown in Attachment 3. These criteria include:

- Approximate water depth
- Potential adverse water pollution sources
- Potential visual effects from shore
- Potential interaction with commercial and recreational fishing interests
- Subleasing or subpermitting complexities
- Potential overlap with subsurface leases
- Environmental review complexity
- Contiguous siting
- Distance from Harbor

Quantification of the eight siting configuration alternatives reveal significant advantages for locating the VSE project in federal waters, and specifically for siting as depicted and described as Alternative #8 in Block 665 which scored 206. The next two highest scores were Alternative #6 which scored 144 and Alternative #7 which scored 140. Both of these alternatives are slight variations of each other in the same general location in State waters.

Additionally, the VSE analyzed fish catch data for the 5 block area over a 5-year period. In this 200,000 acre area the data shows that the average annual wholesale value from 2012-2016 was approximately \$2.96M in wholesale value. The VSE team projects that use of 2,000 or 1% of this area for the proposed project at full build out and operation could generate \$45M-\$55M in annual wholesale value. Many factors will ultimately determine actual revenue including project size, growing conditions, operational interruptions, time period to full build out, market conditions, project and operational costs, etc. In applying a factor of 50% to these preliminary estimates, the project could still potentially generate \$22.5M -\$27.5M in annual wholesale value.

In summary, a siting configuration in Federal waters is similar to any alternative in the original identified candidate area in terms of water column depth and bottom substrate. However, Alternative #8 maintains additional advantages over any alternative in CA state waters because of a reduced level of interference with commercial fishermen; potential improved water and product quality; relative proximity to Ventura Harbor; resulting minimal visual impacts to the near shore environment; and potential to realize economies of scale.

Seafood Inspection Program (SIP)

At the inception of the VSE project, no pathway existed for compliance with the National Shellfish Sanitation Program (NSSP) guidelines for shellfish grown in federal waters. There is now a clear pathway forward through collaborative development with NOAA-SIP. In January 2017, NOAA-SIP, in collaboration with the Food and Drug Administration (FDA), began the process of developing NSSP-compliant sanitation protocols for bivalve shellfish cultivated in federal waters. This process culminated in a conditionally approved series of protocols that are now being implemented by another federally permitted aquaculture project in southern California known as Catalina Sea Ranch that is undergoing additional refinement. The protocols cover both pre- and post-harvest elements of the NSSP Model Ordinance. These protocols can serve as a template for further adaptation to the VSE project goals and needs. Such adaptations will take into consideration the public-private nature of the VSE enterprise, the participation of multiple grower-producers, its scale and ultimate location, and other factors. In consultation with the FDA and California Department of Public Health, NOAA-SIP representatives are currently developing an application process that establishes a pathway for the development of a sanitation plan for new shellfish aquaculture operations in federal waters. VSE team member Coastal Marine Biolabs (CMB) is committed to working collaboratively with NOAA-SIP and other relevant federal entities on the development of a sanitation plan for a federal waters siting alternative. CMB is also committed to establishing a centralized, federally approved, Ventura Harbor-based testing facility to meet the testing requirements articulated in the sanitation plan. This process can be initiated independently of the sanitation plan and concurrently with the permit application process.

FISCAL IMPACT:

Staff will return to the Board as part of the mid-year budget process beginning in December to discuss the current grant, District expenditures to date, as well as a report on the significant in-kind contributions made by VSE team members, which as reported to date total \$246,087. On October 11th, 2017 staff included VSE Cost Recap. This has been included again for your information as Attachment 4.

ATTACHMENTS:

Attachment 1 – Alternatives 1 – 8

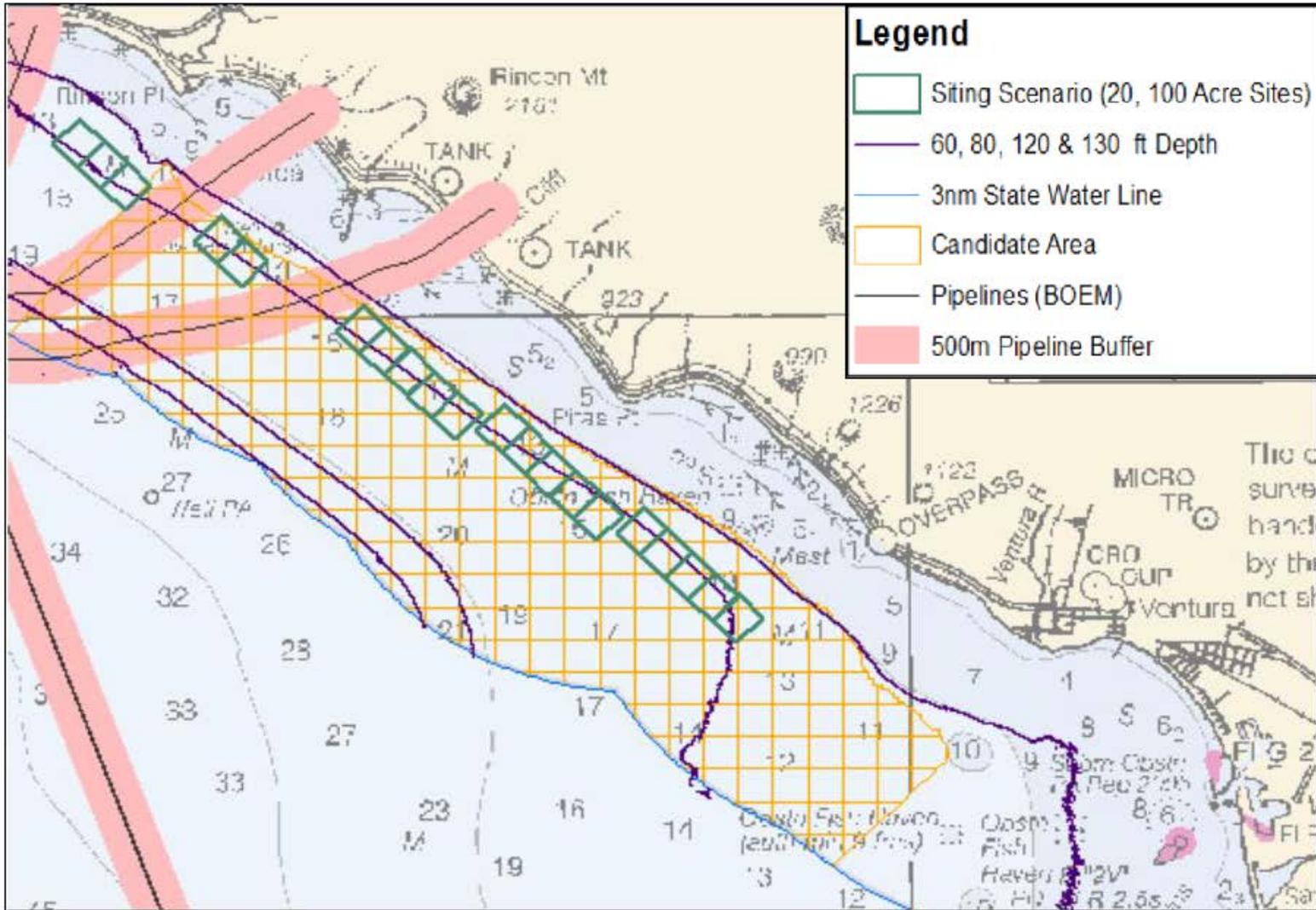
Attachment 2 – VSE Permit Application Sequencing Timeline

Attachment 3 – Site Selection Decision Matrix

Attachment 4 – Ventura Shellfish Enterprise Cost Recap

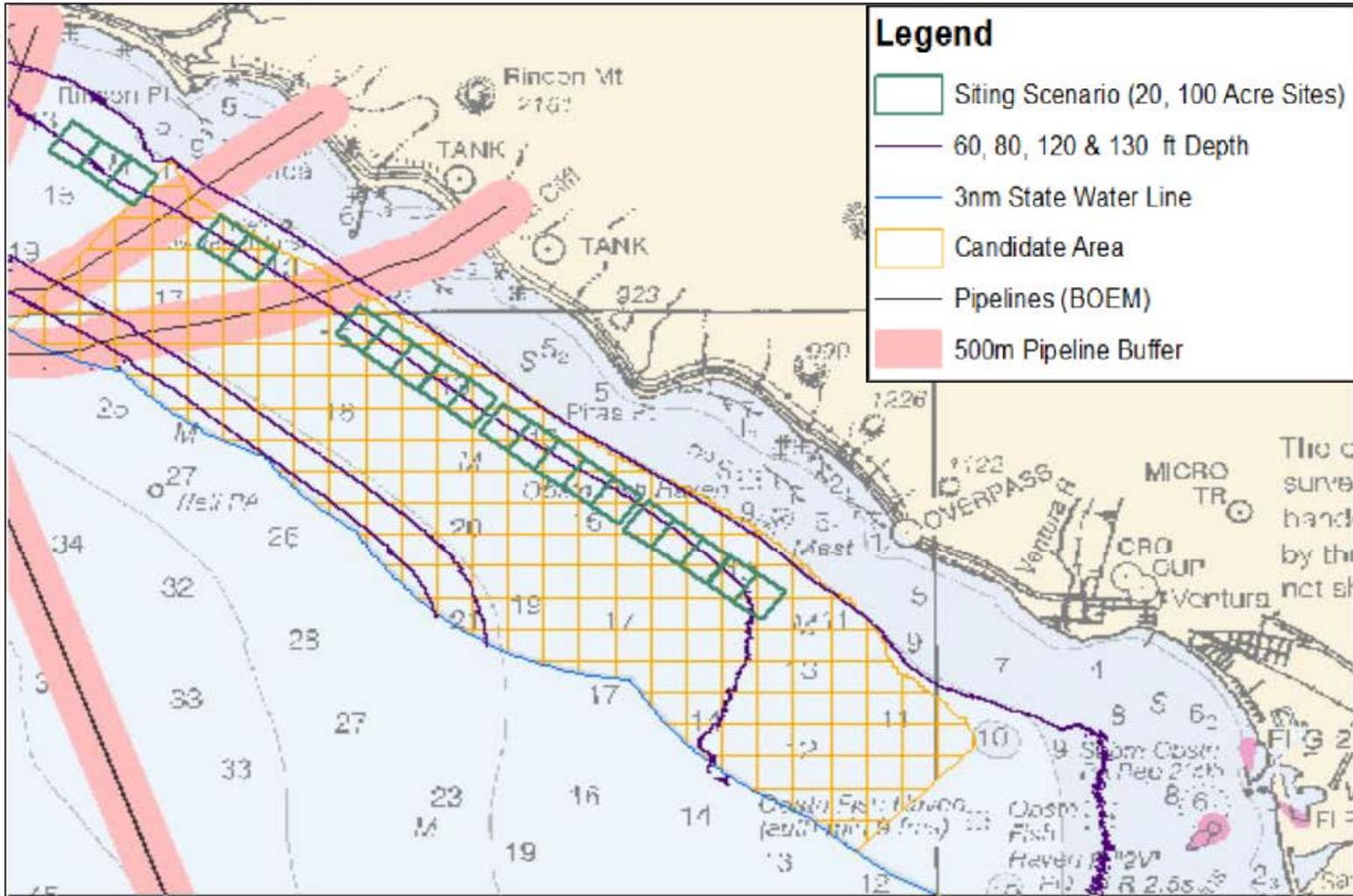
ATTACHMENT 1

Alternative #1 -20 lease sites located along the 80' contour at 45-degree angle



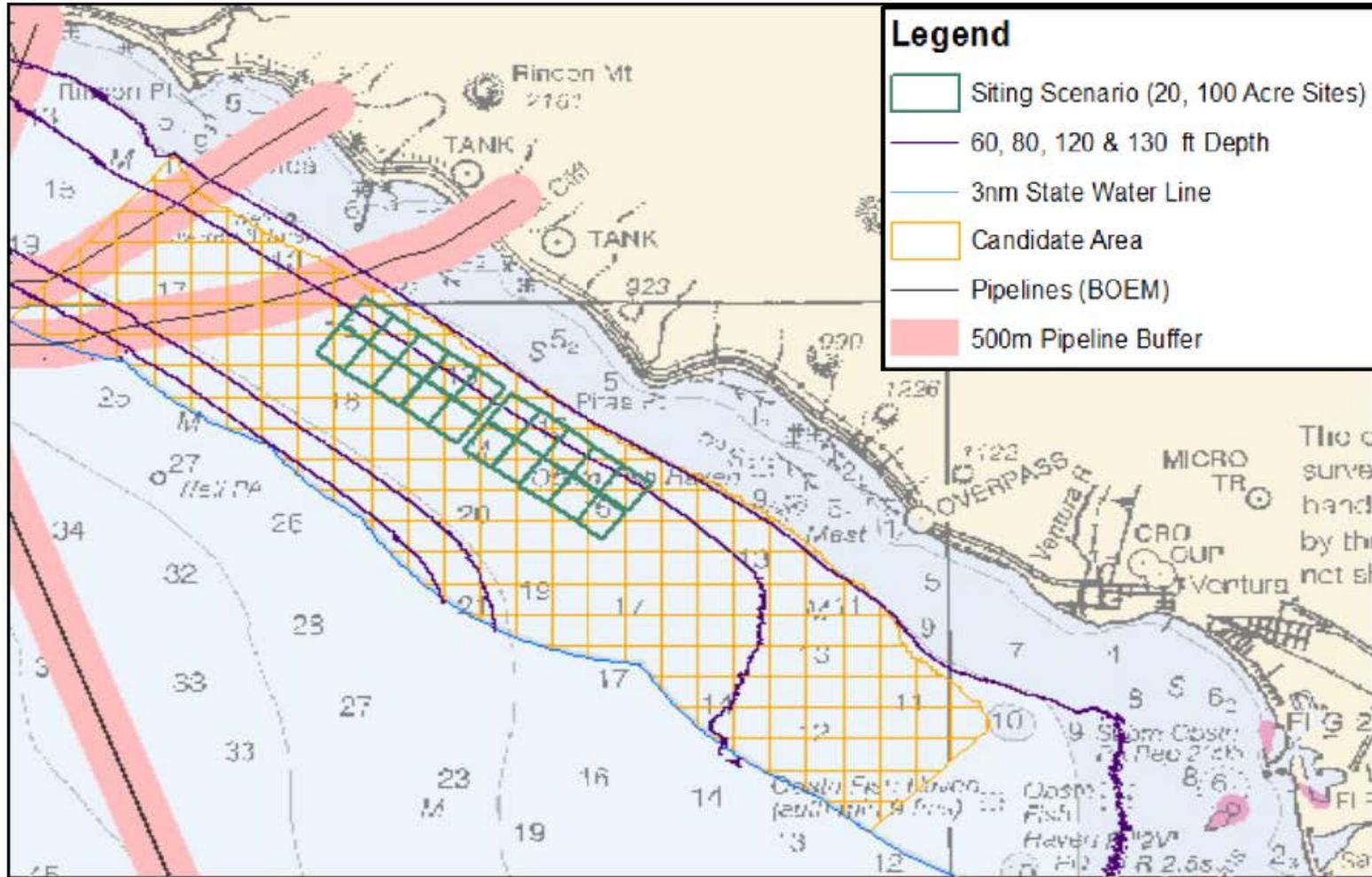
ATTACHMENT 1

Alternative #2 - 20 lease sites along 80' contour with contiguous straight-line outer edge



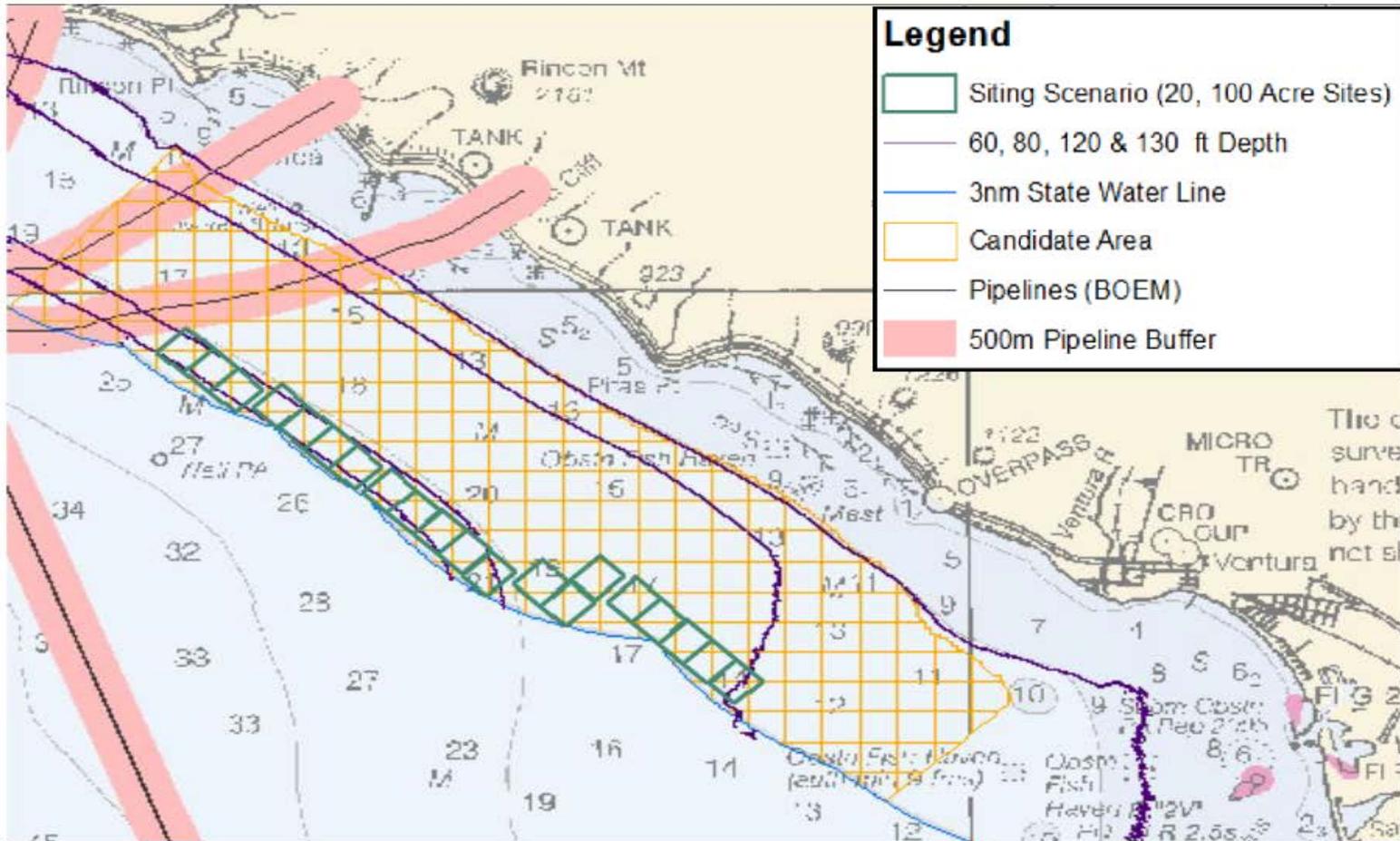
ATTACHMENT 1

Alternative #3 - 20 lease sites along 80' contour with 2X2 configuration extending toward the middle of candidate area



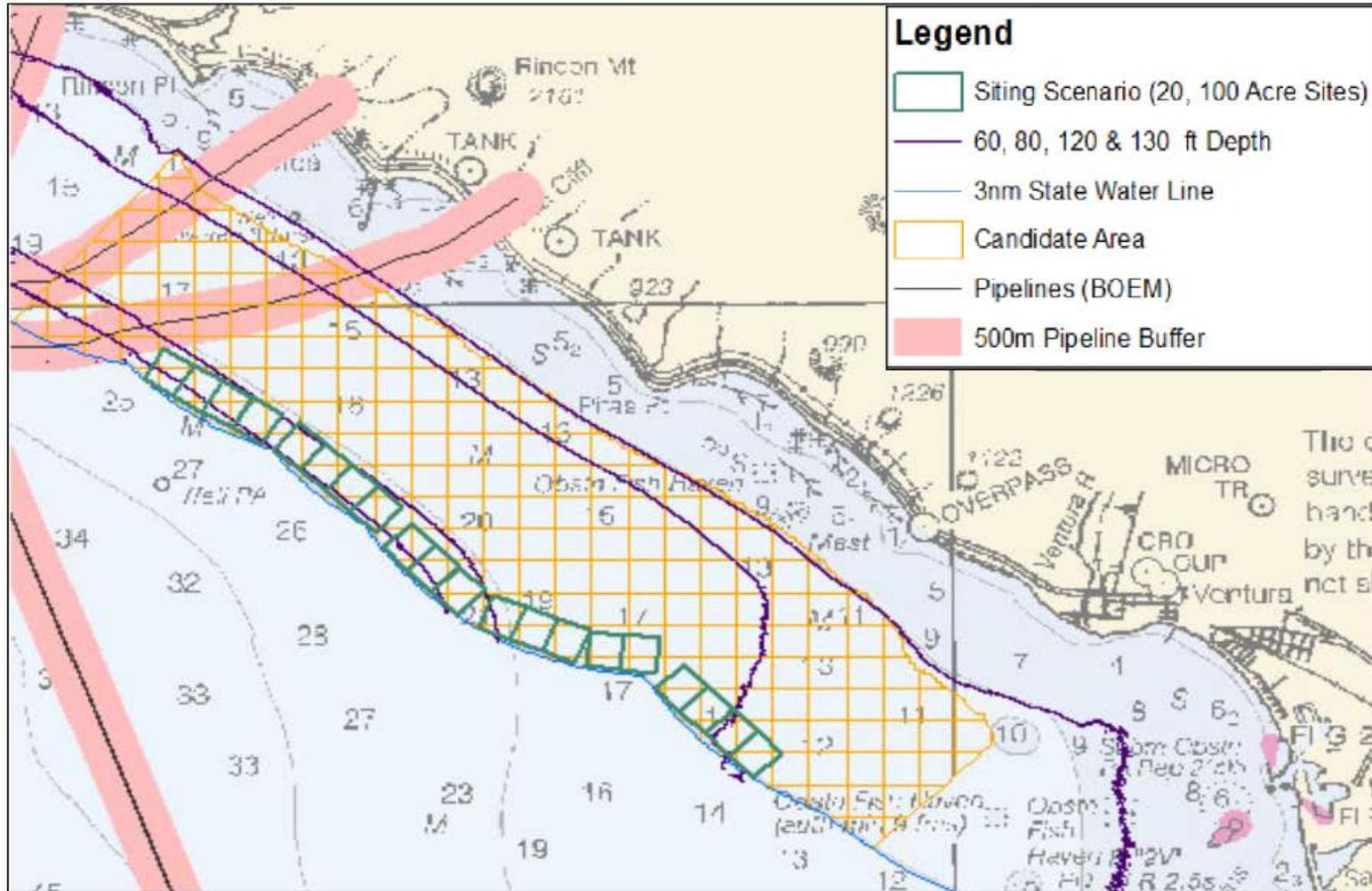
ATTACHMENT 1

Alternative #4 – 20 lease sites along 3nm State waters line, six sites south of Pitas Pt. extend towards the middle of the candidate area



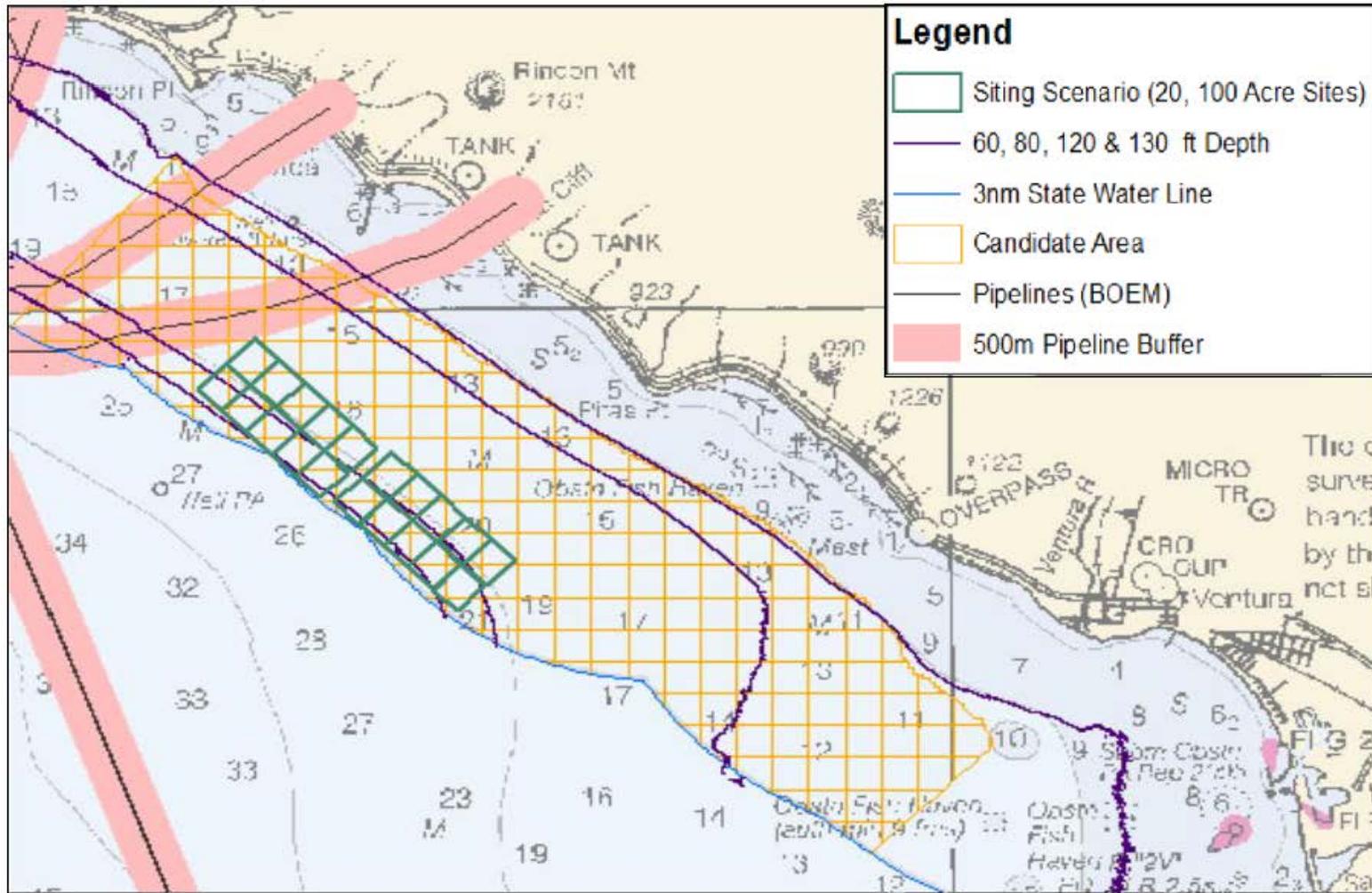
ATTACHMENT 1

Alternative #5 - 20 lease sites that follows 3nm line intuitively



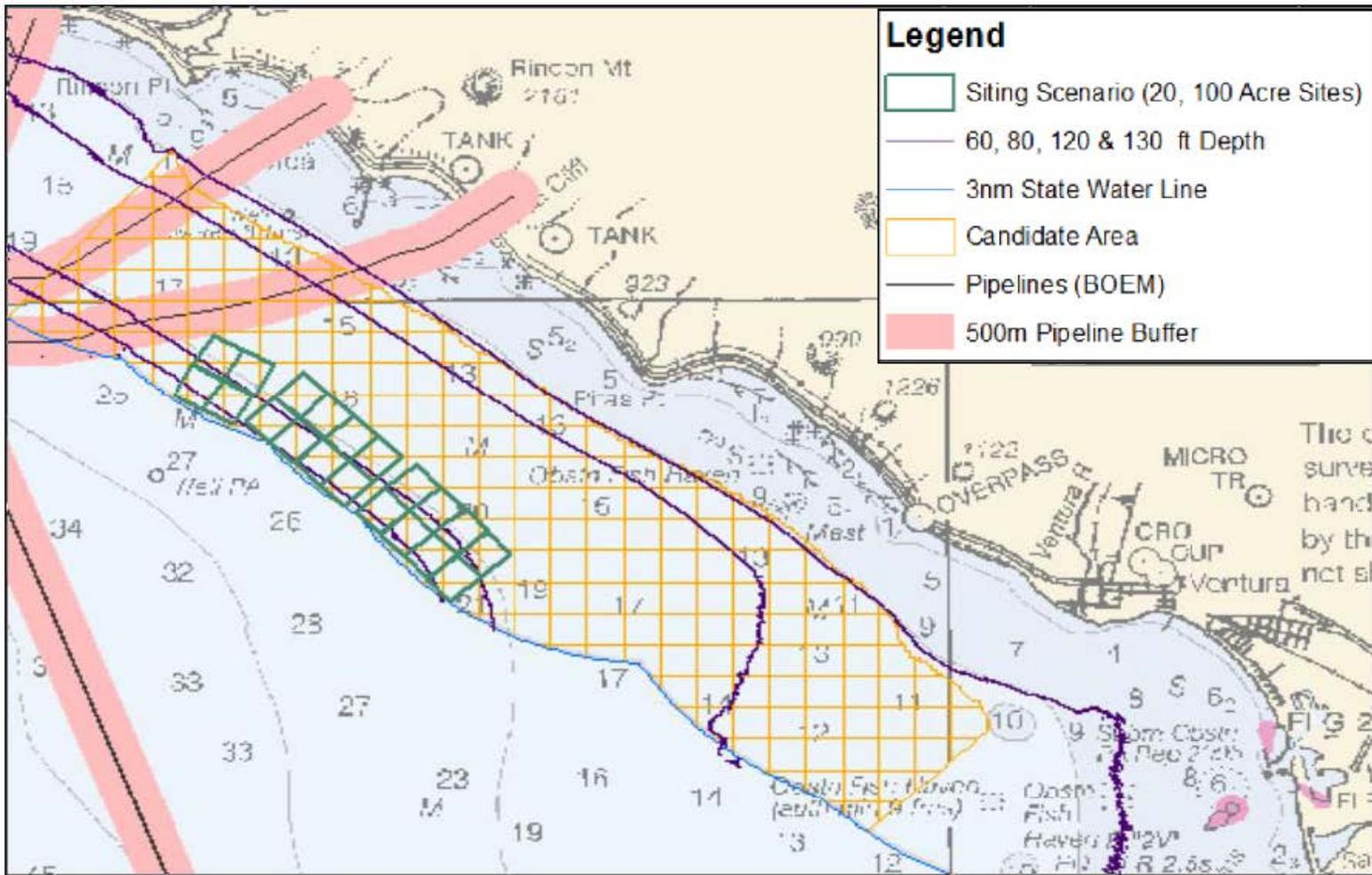
ATTACHMENT 1

Alternative #6 - 20 lease sites at 3nm line arranged in a 2X2 configuration

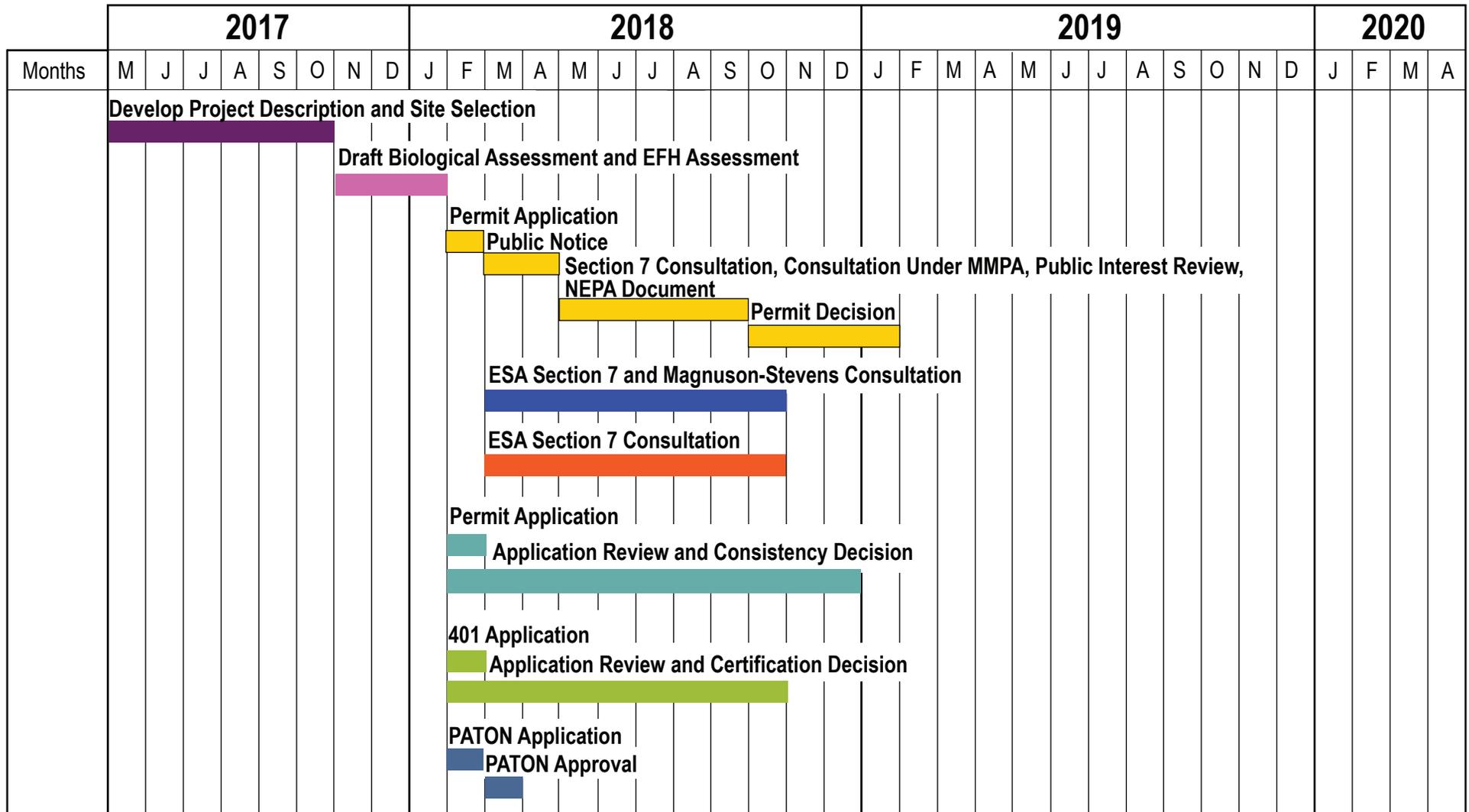


ATTACHMENT 1

Alternative #7 - 20 lease sites intuitively following the 3nm State waters line in a 2X2 configuration



Ventura Shellfish Enterprise Permit Application Sequencing Timeline



LEGEND

- Develop Project Description and site selection
- Draft BA and EFH
- US Army Corps of Engineers
- National Marine Fisheries Service
- U.S. Fish and Wildlife Service
- CA Coastal Commission
- US EPA
- U.S. Coast Guard

In addition to the standard agency permit application packages, Ventura Port District also plans to submit substantive information on the environmental setting for the project and anticipated environmental impacts in order to streamline the environmental review process, as reflected in the timeline below.

The permit review periods shown in the timeline are the maximum times provided for by applicable statute or regulation. The time needed for each agency to render a decision on its permit or authorization is not estimated.

ATTACHMENT 3

Alternatives	Description	Approximate Water Depth (Prelim. Estimate Ft.)	Potential Adverse Water Pollution Sources	Potential Visual Effects From Shore	Potential Interaction with Commercial CA Halibut Trawling Operations	Potential Interaction with Commercial Bait Fishing Operations	Potential Interaction with Recreational Fishing Operations	Potential Interaction with Gillnet Operations	Requires Leasing Structure with CDFW	Potential Overlap with Subsurface Leases	Complexity of Environmental Review	Contiguous Siting	Distance from Ventura Harbor	Total
	Weights	1-5 (Scale: 1= Low Importance, 3=Moderate Importance, 5=High Importance)	4	5	3	4	3	2	3	5	5	5	4	3
	Scoring	1-5 (Scale: 1= Least Desirable, 3=Moderately Desirable, 5=Most Desirable)												
80' Contour - State Waters														
Alternative #1	20 lease sites located along the 80' contour at 45 degree angle	2	1	1	4	3	2	3	1	1	1	2	1	80
Alternative #2	20 lease sites along 80' contour with contiguous straight-line outer edge.	2	1	1	4	3	2	3	1	1	1	2	2	83
Alternative #3	20 lease sites along 80' contour with 2X2 configuration extending toward the middle of candidate area.	3	4	2	3	4	3	4	1	5	1	4	2	137
3nm Line - State Waters														
Alternative #4	20 lease sites along 3nm State waters line, six sites south of Pitas Pt. extend towards the middle of the candidate area.	4	5	4	2	1	4	3	1	5	1	2	3	133
Alternative #5	20 lease sites that follows 3nm line intuitively.	4	5	4	2	1	4		1	5	1	4	3	132
Alternative #6	20 lease sites at 3nm line arranged in a 2X2 configuration.	5	5	3	1	2	4	3	1	5	1	4	4	144
Alternative #7	20 lease sites intuitively following the 3nm State waters line in a 2X2 configuration	5	5	3	1	2	4	3	1	5	1	3	4	140
Federal Waters														
Alternative #8	20 lease sites outside of the 3nm State waters line, in Federal waters, arranged in two, ten parcel 2X2 configurations slightly offset	5	5	5	5	2	4	2	5	5	5	4	5	206
<p>Notes</p> <p>Alternatives #1 and #2 Potential Adverse Water Pollution Sources: Five north eastern most sites are proximate to Carpinteria Waste Water Treatment Facility and in areas containing noticeable levels of natural oil/gas seepage (as stated in site selection meetings)</p> <p>Alternatives #4 and #5 Potential Visual Effects from Shore: Surface buoy's are approximately 3nm from shore, significantly reducing day and night time visual effects</p> <p>Alternative #2 Potential Interaction with Halibut Trawling Activities: Provides contiguous straight-line outer edge in area closest to shore, potentially allows trawlers the most efficient pathway to pursue species</p> <p>Alternative #3 Potential Interaction with Commerical Baitfishing Operations: No lease sites extend south of Pitas Pt., reducing potential conflicts with bait fishing activities (as stated in site selection meetings)</p> <p>Alternatives #1 and #2 Potential Overlap with Subsurface Leases: Lease sites proximate to Rincon Island potentially overlap with existing oil and gas subsurface leases</p> <p>Complexity of Environmental Review Alternatives #1 through #7 require a California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) review process. Whereas, Alternative #8 requires a NEPA review process.</p>													Highest Possible Score:	300

ATTACHMENT 4

Ventura Shelfish Enterprise - Cost Recap

Grant Funding

	<u>Grant</u>	<u>Billed</u>	<u>Remaining</u>	
Scott Lindell-Salary/Bene	19,920.00	9,960.00	9,960.00	
Scott Lindell-Travel	5,000.00	874.19	4,125.81	
Plauché Carr-Legal	25,000.00	16,912.50	8,087.50	Contract for \$30,000 (\$5 + \$25k) (only \$25k in grant)
Dudek	202,550.00	92,492.10	110,057.90	
Expendables				
Coastal Marine-Website		2,640.00		
Cyborg Copies		32.33		
	12,000.00	<u>2,672.33</u>	9,327.67	
	<u>\$264,470.00</u>	<u>\$122,911.12</u>	<u>\$141,558.88</u>	

Reimbursement requested	\$107,205.48
Amount reimbursed to date	<u>\$ 65,734.36</u>
Still outstanding	\$ 41,471.12

Direct costs to District

	<u>Contract</u>	<u>Billed</u>	<u>Remaining</u>	
Plauché-special	23,500.00	21,926.08	1,573.92	Contract \$23,500 (\$8.5k + \$15k)
Dudek 9% of grant	18,229.50	8,301.53	9,927.97	
Dudek - Amend 2&3	15,065.00	15,053.75	11.25	
Blake Stok	10,780.00	5,360.00	5,420.00	
Seasketch-UCSB	1,000.00	1,000.00	-	
Seasketch-UCSB	10,966.20	10,966.20	-	
Seasketch-UCSB	4,974.00	-	4,974.00	
Four Points - Meetings	na	1,760.10		
Cyborg Copies	na	310.86		
	<u>\$ 84,514.70</u>	<u>\$ 64,678.52</u>	<u>\$ 21,907.14</u>	