



Leaders at the Core of Better Communities

2015 Local Government Excellence Awards Program Program Excellence Awards Nomination Form

(All programs nominated must have been fully operational for a minimum of 12 months, prior to January 31, 2015)

Deadline for Nominations Extended to March 30, 2015

Complete this form (sections 1 and 2) and submit with your descriptive narrative.

SECTION 1: Information About the Nominated Program

Program Excellence Award Category (*select only one*):

- Community Health and Safety
- Community Partnership
- Community Sustainability
- Strategic Leadership and Governance

Name of program being nominated: City of Hermosa Beach: Community Engagement Process for Proposed E&B Natural Resources Oil Drilling and Production Project

Jurisdiction(s) where program originated: City of Hermosa Beach, Calif.

Jurisdiction population(s): 19,506

Please indicate the month and year in which the program you are nominating was fully implemented. (Note: All Program Excellence Award nominations must have been fully implemented for at least 12 months prior to January 31, 2015, to be eligible. The start date [on or before January 31, 2014] should not include the initial planning phase.)

Month: March Year: 2015

Name(s) and title(s) of individual(s) who should receive recognition for this award at the ICMA Annual Conference in Seattle, Washington, September 2015. (Each individual listed MUST be an ICMA member to be recognized.):

Name: Tom Bakaly

Title: City Manager Jurisdiction: Hermosa Beach, Calif.

SECTION 2: Information About the Nominator/Primary Contact

Name of contact: Katie Casey

Title: Public Information Officer Jurisdiction: Hermosa Beach, Calif.

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City of Hermosa Beach: Community Engagement Process for Proposed E&B Natural Resources Oil Drilling and Production Project

Since 1932, the citizens of Hermosa Beach have intermittently debated the issue of whether to allow drilling for oil in the small, 1.3 mile beachside community in Los Angeles, which today houses 19,506 residents.

For 83 years, voters would change positions on the topic as they struggled with the identity of the town. In 1984, Hermosa Beach voters approved Propositions P and Q to allow oil drilling at two sites, which lead to City Council approving an initial lease for Macpherson Oil Co. in 1986. However, in 1995 voters approved Proposition E, which restored the City's oil drilling ban. In 1998, the City Council voted to halt the Macpherson oil-drilling project, which then resulted in the company suing the city.

In 2012, Hermosa Beach was facing a potential \$750M lawsuit from an oil company over the disputed lease agreement for drilling within the City. On the verge of a jury trial, a settlement agreement was reached when a third party, E & B Natural Resources Management Corp. (E & B), offered to pay the oil company \$30 million for ownership of its oil lease and conditional use permit. The agreement was unanimously approved by City Council, ending 14 years of litigation and limiting the City's potential liability to \$17.5 million. Under terms of the settlement, the City of Hermosa Beach would hold a Special Municipal Election to place a ballot measure that would allow voters to determine whether residents would lift a citywide ban and allow E&B to conduct directional drilling from the 1.3-acre city yard. If the measure were defeated, the City would pay out \$17.5M to E&B. Through this action, City Council put the decision-making process within the hands of the voters.

The problem now facing Hermosa Beach was how to objectively engage the citizens to decide the future of oil drilling within the City, and to put ownership of the outcome of the election and its fiscal responsibilities within the hands of the voters.

To move forward with the process, an Environmental Impact Report (EIR) was required by California state law. Understanding the magnitude of the decision being placed in front of voters, City Council agreed to also provide two supplemental studies: a Health Impact Assessment (HIA) and a Cost Benefits Analysis (CBA) in order for the community to become educated on the facts behind the proposed project.

From 2013 – March of 2015, the City commenced its integrated community engagement program educating the community on the “Proposed E&B Natural Resources Oil Drilling and Production Project.” The City acted as the impartial provider of facts and research to the community, and engaged the following consultants to provide services including:

- CZB: Creation of the Hermosa Beach “Community Dialogue” Tool, where the City hosted “Community Dialogue” sessions over a 6 –month period to engage local residents and business owners in determining priorities and values for the city. This provided the foundation for the decision-making process by the city, as well as individuals, on items relating to the future vision of the City
- Environmental Impact Report (EIR) Consultant: Ed Almanza managed the project for the City from 2012 through 2014. This included overseeing public scoping meetings, and providing numerous opportunities for public review of the draft EIR document as well as leading City Council Study Sessions and Public Presentations on the final report
- Marine Research Specialists (MRS): Prepared the EIR, which included a detailed project description, identified potential significant environmental impacts and feasible measures to mitigate those impacts to a level of insignificance
- Intrinsik: Created the Health Impact Assessment (HIA), which is a systematic process that evaluates the health impacts of a proposed project and helps the public understand the potential health impacts of the proposed Project
- Kosmont Companies: Created a Cost Benefit Analysis (CBA), which is an objective analysis of data and findings in regards to the potential financial and fiscal costs and benefits of the proposed Project to the community and city
- City Attorney Michael Jenkins: Provided legal guidance and approvals of all communications delivered from the City to the community; ensured the City and its staff, as well as Council, provided adherence to the terms of the Settlement Agreement
- Katie Casey Public Relations: Served as the Interim Public Information Officer (PIO) to ensure that voters were notified of all public review information in relation to the EIR, CBA and HIA for the proposed project
- Beach Cities Health District (BCHD): A preventive health agency based in Los Angeles, BCHD addressed the stress and community division surrounding the proposed project by hosting a free seminar titled “A Mindfulness-Based Approach to Stress Reduction.” The session was lead by Gloria Kamler of the UCLA Mindful Awareness Research Center, and more than 200 residents participated in the event hosted in February 2015, two weeks prior to the election

IMPLEMENTATION

City staff within the Community Development Department, as well as the City Manger, served as integral figures with managing multiple consultants who were facing tight deadlines throughout 2014 in order to prepare for the election. The staff adhered to objectives and deliverables, which included the following:

The City Council and City of Hermosa Beach were dedicated to a thorough and transparent environmental review process that would fully disclose and address the environmental effects that might result from the proposed oil production project. The City of Hermosa Beach was the lead agency for the environmental review of the proposed oil project under the California

Environmental Quality Act (CEQA). As the lead agency, the city’s obligation was to inform the decision makers – the electorate – in the public discussion of the proposed project.

Strategy

- City Council declares the Proposed Oil Drilling Project process a “Top Priority” and assigns necessary resources
- City provides factual information throughout the entire process - from the E&B application through the EIR process, preparation of the HIA and CBA, to the election - in an understandable, timely and accessible manner
- City to alert the public to upcoming meetings, hearings and opportunities to comment and learn more about the proposed project
- City to remain transparent through the entire process, explaining the reports via meetings, workshops, Open Houses, etc. and provide ample marketing resources to ensure the community is engaged and notified of the project status
- City to serve as the provider of fact through the election campaign by posting political advertising “Fact Check” of pro and opposing election materials

Calendar

The following calendar details important dates, decisions and communications surrounding the Proposed Oil Drilling Project:

Month	Communications/ Staff / Consultant Support
Feb.2014	<ul style="list-style-type: none"> • The City hosted two informational presentations lead by the independent consultants on the Draft Environmental Impact Report, Health Impact Assessment, and Cost Benefit Analysis
March 2014	<ul style="list-style-type: none"> • The City hosted a “Drop-in Open House” for the Proposed E&B Oil Drilling and Production Project, where visitors were provided the opportunity to ask questions about the EIR, HIA and CBA studies directly with the authors of the reports
April 2014	<ul style="list-style-type: none"> • Communicated with voters community the opportunity to provide Verbal Comment on Draft EIR; April 14, 2014: Final Public Review Period Closed
May 2014	<ul style="list-style-type: none"> • Prepared final EIR communications for the City, which included community mailer piece, local advertising, and media materials
June 2014	<ul style="list-style-type: none"> • The City of Hermosa Beach and E&B Natural Resources face a challenge determining the election timing. The debate between the City and the private company continues to be presented transparently to the community, and is a topic of debate at City Council meeting throughout the month • The City Council requested a November 2014 election; E&B Natural Resources requested a Summer 2015 election
July 2014	<ul style="list-style-type: none"> • The Hermosa Beach City Council certified the Final EIR on July 8, 2014. The report is posted to the City’s website, and demonstrates modifications included from the Public Review • The Hermosa Beach City Council and E&B Natural Resources reach an agreement during the July 22, 2014 Council Meeting to schedule the Special Municipal Election

	<p>for the “Proposed E&B Oil Drilling and Production Project” for March 3, 2015</p> <ul style="list-style-type: none"> • The community is updated on this decision through materials shared with the media and on the City’s website
Aug. 2014	<ul style="list-style-type: none"> • The City’s consultants continue to finalize the HIA and CBA reports
Sept. 2014	<ul style="list-style-type: none"> • Community Mailer – Announcing Availability of Review for All Final Documents • Local Advertising: Schedule of Final Documents; Date for October Public Hearing • Media Alert: Notification of Oct. 14th Hearing
Oct. 2014	<ul style="list-style-type: none"> • Public Hearing: Scheduled on Oct. 14th: Development Agreement and Ballot Measure for proposed E&B Oil Drilling and Production Project • Press Release: Provides details regarding the Ballot Measure / language, etc., next steps for City until election • Filing Impartial Analysis (City Attorney) by Oct. 28 deadline
Nov. 2014	<ul style="list-style-type: none"> • Community Assets: City website to be updated with all final reporters; City staff and PIO to manage updating FAQs section as needed from now until March 2015 election date • Internal Planning: Coordinate “Community Presentation” Planning with City Consultants to review EIR, HIA and CBA documents in 2015 prior to elections • Media Relations: Support as needed for news items related to project
Dec. 2014	<ul style="list-style-type: none"> • Media Relations: Support as needed for news items related to project
Jan. 2015	<ul style="list-style-type: none"> • Internal Planning: Create community mailers /additional collateral for “Community Presentation” hosted by the City featuring the consultants who created the EIR, HIA and CBA • Media Relations: Support as needed for news items related to project • Local Advertising: Create advertising schedule/media buys for “Community Presentation” • Community Relations: City staff and PIO to manage updating FAQs section as needed from now until March election date
February 2015	<ul style="list-style-type: none"> • Community Relations: Distribution of Community Mailers for “Community Presentation” • Neighboring Cities / Government Agencies Relations: Share “Community Presentation” materials / mailers with staff; offer extra copies to share with constituents • Media Relations: Support as needed for news items related to project • Local Advertising: Reminder of independent resources available for informed decision making on City website (EIR, CBA, HIA) • Community Event: Hosted “Mindfulness-Based Stress Reduction” seminar with Beach Cities Health District
March 2015	<ul style="list-style-type: none"> • Media Relations: Support as needed for news items related to project • Community Relations; City staff and PIO to manage updating FAQs section as needed from now until March election date; Detail next steps to community and neighboring cities based upon the election results

TOTAL COSTS FOR PROGRAM (INCLUDING CONSULTANT FEES): \$1, 319,050

RESULTS

The City of Hermosa Beach provided a case study of best practices for local government to place the decision-making powers of a controversial community topic into the hands of the voters and providing the information necessary to make informed and accountable decisions.

Starting with the creation of the “Community Dialogue” tool, residents assisted City officials with determining the core values of the community, which included: small beach town; healthy active lifestyle; economic & environmental sustainability. This tool allowed the community to vet the decision-making process of the “Proposed Oil Drilling Project” based upon these core principles and the community’s agreed upon vision for the City.

The elected officials of Hermosa Beach, along with City staff, went above and beyond the requirements of state law to present the “Proposed E&B Oil Drilling Project” to the Community by providing two supplemental reports (HIA, CBA) and offering unprecedented access to the consultants that prepared the reports through the various educational events hosted by the City throughout 2014.

Civic engagement reached an all-time high within the City throughout 2014 and into 2015, as hundreds of Hermosa Beach residents attended the numerous presentations, Open Houses, and community education events hosted by the City.

The March 3, 2015 Election received a historic voter turnout within the City, with 54% of registered voters within Hermosa Beach participating in the Special Municipal Election. In comparison, the average voter turnout within LA County is 9%. The official election results include 5,968 votes opposing Measure O and 1,539 votes in support.

By placing the outcome of the Proposed E&B Oil Drilling and Production Project in the hands of the voters, and the electorate’s decision to vote no on the project and in turn repay E&B Natural Resources \$17.5M, the community has taken ownership of this debt and continues to be involved in the City government process. City Council meetings remain filled to capacity, which started in 2013 with the public review periods of all documents relating to the Proposed E&B Oil Drilling Project. This engagement continues today post-election, as the City has united to be responsible for the future of Hermosa Beach.

Through the 2015 Measure O Election for the Proposed E&B Oil Drilling and Production Project, Hermosa Beach overcame very difficult barriers and achieved remarkable results. The City of Hermosa Beach showcased how democracy and accountability can thrive within communities when government commits to transparency, and voters are provided timely and immediate access to important information regarding a community issue that would impact the city for decades.