

EXHIBIT 1

The People of the County of Santa Cruz County ordain as follows:

SECTION 1

Chapter 16.55 of the Santa Cruz County Code, including its title and table of contents, is hereby amended to read as follows:

Chapter 16.55

ONSHORE FACILITIES SUPPORTING OFFSHORE OIL AND GAS AND DEEP-SEA MINING EXPLORATION AND DEVELOPMENT

Sections:

- 16.55.010 Purpose.**
- 16.55.020 Findings.**
- 16.55.030 Definitions.**
- 16.55.040 Voter approval for onshore support facilities.**
- 16.55.050 Exemptions for certain projects.**
- 16.55.060 Compatibility with State and federal law.**
- 16.55.070 Severability.**
- 16.55.080 Modification.**

16.55.010. Purpose.

The purpose of this ordinance is to protect the County of Santa Cruz's coastline, water, agricultural lands, tourism, air quality, recreation, biodiversity, and quality of life, and to allow the County of Santa Cruz to prevent harmful extractive activities. The ordinance does so by ensuring that zoning changes or other legislative acts that allow onshore support facilities as defined in Section 16.55.030 will only be allowed if they are approved by the majority of the voters in the County of Santa Cruz.

16.55.020. Findings.

It is hereby found and determined as follows:

- (A) This ordinance provides an opportunity for the people of the County of Santa Cruz to consider the information in subsections (B)-(E) when deciding whether the development of an onshore support facility is in the best interest of the public health, safety, environment, and general welfare of the County. This ordinance does not apply to existing facilities or operations that support offshore oil development. This ordinance also does not apply to existing facilities or operations relating to onshore oil development or mining.

(B) Onshore support facilities for offshore oil and gas development and deep-sea mining could substantially adversely affect the many significant coastal resources located within the County of Santa Cruz:

- (1) The County of Santa Cruz's coastline is highly scenic. The County has protected the scenic and visual qualities of its coastal areas by siting development to be visually compatible with the character of surrounding areas and to minimize the alteration of natural land forms; for example, the County helped support Santa Cruz City efforts to prevent development of Lighthouse Field, opposed a proposed nuclear power plant in Davenport in the 1960's and 1970's, and prohibited further industrial development of the north coast around the Cemex plant in Davenport. Siting an onshore facility in the County's coastal zone could disrupt the scenic and visual qualities the County has worked hard to protect.
- (2) On September 18, 1992, under the authority of the National Marine Sanctuaries Act, the National Oceanic and Atmospheric Administration designated the Monterey Bay National Marine Sanctuary as a federal marine protected area offshore of California's central coast stretching 276 miles and 6,094 square miles of ocean, extending an average distance of 30 miles from shore and more than two miles below the sea surface and was established for the purpose of resource protection, research, education, and compatible human use where commercial and recreational fishing, diving, kayaking, boating, and surfing are allowed and activities that could harm the sanctuary's ecosystem health, such as seafloor drilling, ocean dumping, or seabed mining are prohibited.
- (3) The County is home to numerous tourist destinations, including the Santa Cruz Beach Boardwalk, Santa Cruz Wharf, State Parks and beaches, Capitola Village, Steamer Lane, The Hook at Pleasure Point and other surf spots, and relies on tourism for \$1+ billion in annual visitor spending to support 8,000-10,000 direct and indirect jobs. Onshore support facilities could detract from the tourist experience in the County, both visually and by limiting the available coastal areas for tourists to visit.
- (4) The construction and operation of onshore support facilities in the County could impede public access to the coastline. Oil or tailings spills from onshore support facilities could cut off public access to the beach and ocean for months.
- (5) There are valuable marine resources in the County that are required by the California Coastal Act to be maintained and enhanced. These marine resources could be impaired by the construction or operation of onshore support facilities by creating a risk of oil spills and leaks from oil drilling and seabed mining facilities.
- (6) An onshore facility with its risk of oil spills and leaks could disrupt the biological productivity of coastal waters and conditions required to sustain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes. Operations from onshore facilities could also impair state marine protected areas and sections of the 6,094 square mile Monterey Bay National Marine Sanctuary adjacent to the County.
- (7) The Monterey Bay region is home to over 500 fish species, 90 species of seabird, and 30 species of marine mammals. The County is home to resident and transitory

populations of blue whale, humpback whale, southern sea otter, leatherback sea turtle, snowy plover, coho salmon, and steelhead trout, all of whom are threatened or endangered. A significant portion of these species' habitats is found along the County's coastline; oil spills and leaks from new onshore facilities on the coast could destroy that habitat and threaten the existence of the species.

(8) Acres of environmentally sensitive habitat – including sandy beaches, coastal bluffs and marine terraces, kelp forests, estuaries, and coastal dunes and lagoons – are found along the County of Santa Cruz's coastline; building an onshore facility could directly destroy the habitat, as well as indirectly affect its long-term health.

(9) Over 60,000 acres of the County's land is in agriculture production with a value of nearly \$900 million. Important crops include strawberries, raspberries, blackberries, leafy greens, apples, wine grapes, and nursery products. The County has historically ensured that non-agricultural development does not impair agricultural viability and prohibits the conversion of prime agricultural lands to non-agricultural uses. An onshore support facility could disrupt agricultural viability by using up acres of prime agricultural land or its protected buffer areas, increasing assessment costs, or degrading air and water quality and undermining the County's market reputation.

(10) The County of Santa Cruz contains over 300,000 acres of commercial timberlands, much of it located in the mountainous coastal zone and protected by Timber Preserve zoning and public and nonprofit agencies; for example, the San Vicente Redwoods. Important for carbon storage, watershed protection, and high value (\$6.4 million) timber, these valuable timberlands could be impacted by future onshore facilities.

(11) The County has a vibrant and economically and culturally significant commercial fishing sector; commercial fish catch from all California National Marine Sanctuaries (which includes Santa Cruz) generated over \$69 million in annual revenue from 2010 and 2012, with Dungeness crab, squid, salmon, urchin, and groundfish playing important roles. The County has a strong interest in supporting the economic wellbeing of this ocean-dependent industry. Onshore facilities such as pipelines, tankers, and tailing ponds located within the coastal zone could take up valuable harbor space and substantially interfere with those industries.

(12) The County has devoted significant harbor space to serve recreational boating, including sail and power craft, kayaking and paddleboarding, recreational scuba diving and thousands of licensed recreational anglers annually. The Santa Cruz Port District has constructed public launching facilities and provided additional berthing space to encourage increased recreational boating in its coastal waters. The County prioritizes limiting non-water-dependent land uses – such as onshore support facilities – that could congest access corridors and preclude boating support facilities.

(13) The County's coast is internationally recognized for its surf culture, with 30 surf spots along a 7-mile stretch from Natural Bridges State Beach to Opal Cliffs, covering diverse breaks catering to all skill levels. Nearly 800,000 annual surf visits generate almost \$200 million yearly for the Santa Cruz economy. This vital ocean-oriented recreational activity cannot readily be provided at inland water areas. The County's

residents, as well as tourists who travel to participate, may be deprived of this activity if an onshore support facility is built.

(14) There are numerous significant archaeological or paleontological resources, as identified by the State Historic Preservation Officer, located on the County's coast. Key resources include ancient Native American shell mounds, coastal terrace sites dating back thousands of years, such as Sand Hill Bluff, Quiroste Valley Cultural Preserve, Amah Mutsun Tribal Territory Sites, and extensive marine fossils. These resources are culturally and historically valuable and could be irreparably harmed if onshore support facilities were constructed in their vicinity.

(15) The County's existing infrastructure is inadequate to support onshore facilities. For example, State Highway Route 1 services the County and some sections are narrow and heavily congested with traffic on an ongoing basis. Additionally, the County does not have oil spill containment technologies in the event of a pipeline leak; the current Santa Cruz Harbor cannot handle tankers and other large vessels; and narrow, winding city streets are not amenable to large trucks needed to service onshore facilities to transport oil or mineral resources out of the County. Moreover, water supply in many areas of the County is inadequate especially during dry and drought years, to serve onshore facilities.

(C) The County of Santa Cruz has unique characteristics that could make it particularly unsuitable for siting onshore support facilities for offshore oil and gas development and deep-sea mining:

(1) The County of Santa Cruz experiences extreme winter storms, including atmospheric rivers that regularly result in local flooding, river flooding in the San Lorenzo River and Pajaro River floodplain, destructive coastal wave events, and wave overtopping in Capitola Village that may make onshore operations hazardous and too risky.

(2) The County is a seismically hazardous area, located near the San Andreas and San Gregorio Faults. The massive 1989 Loma Prieta earthquake collapsed 40 buildings and killed six people. Because the County is at a higher risk for earthquakes, there is a significant potential to rupture pipelines or disrupt other onshore facilities.

(3) The coastline of the County has suffered from high erosion rates. High coastal erosion occurs along developed bluffs and sandy beaches, with erosion rates of six to 12 inches per year. Areas of particular concern include West Cliff Drive (especially near Steamer Lane and Lighthouse Point), Opal Cliffs, Depot Hill in Capitola, and the Rio Del Mar/Seacliff beach areas. Drivers of erosion include accelerating sea level rise and extreme winter storms exacerbated by climate change. This would put an onshore facility located on the coast at great risk.

(D) The construction and operation of onshore support facilities could create many hazards and risks threatening the public health, safety, environment, and general welfare of the County of Santa Cruz:

(1) Onshore support facilities can create the risk of spills or leaks, such as the spill experienced on Refugio State Beach in 2015, in which 140,000 gallons of oil spilled and

spread over 150 miles of the California coast.¹ The spill led to the closure of miles of beaches and 130 square miles of fishing grounds and killed hundreds of birds, fish, and marine mammals.² Oil spills can have numerous adverse effects, including: degradation of sensitive marine environments; contamination of beaches and other recreational areas; reduction in property values; decrease in tourism; long-term impairment of water-dependent industries, such as fishing; and acute human health effects, such as skin and eye irritation, breathing problems, nausea and vomiting, and others.

(2) Onshore support facilities can emit and transport hazardous and toxic air pollutants, such as:

- (a) Benzene, toluene, ethylbenzene, and xylene. Short-term exposure to these chemicals can cause drowsiness, dizziness, nausea, depression, fatigue, and eye, skin, and respiratory tract irritation; long-term exposure can result in respiratory effects, damage to the central nervous system, kidneys, and liver, and developmental effects (such as birth defects). Benzene is also a known human carcinogen and has been linked to leukemia.³
- (b) Particulate matter (PM). Exposure can result in heart attacks, irregular heartbeats, asthma, decreased lung function, increased respiratory symptoms, and premature death in people with heart or lung disease. PM can also stain and damage stone and other materials, including culturally or historically valuable objects such as statues and monuments, as well as harm sensitive ecosystems by contributing to acid rain and nutrient depletion.⁴
- (c) Hydrogen sulfide (H₂S). Short-term exposure can result in irritation of the eyes, nose, and throat, headache, dizziness, nausea, vomiting, coughing, difficulty breathing, and permanent damage to the central nervous system.⁵
- (d) Carbon monoxide (CO). Short-term exposure can result in headache, dizziness, vomiting, nausea, unconsciousness, and death.⁶
- (e) Nitrogen oxides (NO_x) and sulfur oxides (SO_x). Short-term exposure can aggravate respiratory diseases, particularly asthma, leading to respiratory symptoms such as coughing, wheezing or difficulty breathing. Long-term exposure may contribute to the development of asthma and potentially increase

¹ https://www.environmentaldefensecenter.org/wp-content/uploads/2016/03/NRDA-Guide_compressed.pdf

² https://www.environmentaldefensecenter.org/wp-content/uploads/2016/03/NRDA-Guide_compressed.pdf

³ <https://www.epa.gov/haps/health-effects-notebook-hazardous-air-pollutants>

⁴ <https://www.epa.gov/pm-pollution/particulate-matter-pm-basics>

⁵ <https://www.osha.gov/SLTC/hydrogensulfide/hazards.html>

⁶ <https://www.epa.gov/co-pollution/basic-information-about-carbon-monoxide-co-outdoor-air-pollution>

susceptibility to respiratory infections. NO_x and SO_x also contribute to acid rain, and NO_x contributes to nutrient pollution in coastal waters.⁷

(3) Onshore support facilities for deep-sea minerals also raise significant concerns about radioactive waste and dust. Scientific studies have revealed that polymetallic nodules contain high concentrations of radioactive materials. During processing, as nodules are crushed, small particles may be distributed into the air, posing radiological hazards to human health. Furthermore, residual products from mining slurry - a mixture of seawater, sediment, and nodule fines - also pose significant risk if discharged back into the ocean. Radioactive particles may be ingested by marine organisms, introducing radiation into the food web that may be ingested by people. These public health risks are especially concerning given the limited regulatory frameworks and scientific understanding governing radioactive byproducts from deep-sea mining operations.

(4) Onshore support facilities are also potential contributors to groundwater and surface water pollution. For example, some facilities use deep-injection wells to dispose of wastewater that may contain oil residuals, chemicals, and other hazardous wastes, which can contaminate aquifers and groundwater.

(5) Noisy helicopter and commercial street traffic and other nuisances like light pollution from 24-hour facilities could be significant irritants to the County's residents.

(E) The County of Santa Cruz has considered the national energy interest and found that it already significantly supports national energy needs:

(1) Santa Cruz County has consistently committed to meeting its share of responsibility by advancing renewable energy systems (especially distributed solar), supporting grid reliability via energy storage, reducing fossil fuel demand, and protecting economically and environmentally critical coastal resources, all of which align with long-term national energy strategy. The County is a member of Central Coast Community Energy which sources electricity from new renewable energy projects and innovative energy storage facilities.

(2) The County of Santa Cruz has fully committed to California's prioritization of the renewable energy transition in a responsible way. Santa Cruz County enables renewables primarily through its membership in Central Coast Community Energy and by permitting hundreds of solar systems per year, constructing EV charging stations, adopting land-use rules favoring distributed energy, installing solar on public infrastructure, and embedding clean energy in long-term planning. By reducing approval times, standardizing applications, and supporting online permitting the County is helping scale renewable energy generation throughout the County.

⁷ <https://www.epa.gov/no2-pollution/basic-information-about-no2>; <https://www.epa.gov/so2-pollution/sulfur-dioxide-basics>

16.55.030. Definitions.

(A) **Deep-Sea Minerals:** For the purposes of this ordinance, the term “deep-sea minerals” means natural deposits of valuable minerals found in the ocean, including, but not limited to, metals and placer deposits of metals, nonmetallic minerals, gemstones, ores, gold, silver, copper, lead, iron, cobalt, nickel, manganese, silica, chrome, platinum, tungsten, zirconium, titanium, garnet, and phosphorous. The term “deep-sea minerals” does not refer to rock, gravel, sand, silt, oyster shells, or hydrocarbons.

(B) **Deep-Sea Mining:** For the purposes of this ordinance, the term “deep-sea mining” means the extraction of deep-sea mineral deposits, including, but not limited to, polymetallic nodules, ferromanganese crusts, and seafloor sulfides, from the ocean floor or seamounts at depths greater than 200 meters, including in areas within the U.S. Exclusive Economic Zone and beyond national jurisdiction.

(C) **Onshore Support Facility:** For the purposes of this ordinance, the term “onshore support facility” means any new or expanded facilities within the County of Santa Cruz’s jurisdiction that support the exploration, development, production, storage, processing, or other activities related to offshore energy resource development or deep-sea mining. “Onshore support facilities” include but are not limited to:

- (a) **Transportation facilities:** Onshore facilities and equipment for the purpose of transporting crude offshore oil and gas or deep-sea minerals and slurry to and from processing and storage facilities, including pipelines, pipeline landfalls, pump stations, tankers, rail spurs, and trucking terminals;
- (b) **Storage facilities:** Onshore facilities and equipment for the purpose of storing crude offshore oil and gas or deep-sea minerals, including tank farms and slurry ponds, or storing chemicals, drilling muds, cuttings, produced waters, and/or other materials used while drilling offshore oil and gas wells, production, or in the processing of crude offshore oil and gas;
- (c) **Processing facilities:** Onshore facilities and equipment for the purpose of processing, distilling, converting, treating, blending, purifying, leaching, and/or refining crude offshore oil and gas or deep-sea minerals, including refineries, gas plants, treatment tanks, tailing ponds, and distillation units; and
- (d) **Waste disposal facilities:** Onshore facilities, including tailing ponds and landfills, and equipment for the purpose of disposing of chemicals, drilling muds, cuttings, produced waters, tailings, dried wastes, and other toxic materials generated while drilling offshore oil and gas wells, production, or in the processing of offshore oil and gas or deep-sea mineral products.

Exceptions. The term “onshore support facilities” does not refer to:

- (a) Transportation, storage, processing, or waste disposal facilities or equipment that are not being used to support offshore oil and gas development or deep-sea mining.
- (b) Existing facilities that support onshore or offshore oil and gas development.
- (c) Gas stations or power plants.

16.55.040. Voter approval for onshore support facilities.

Any legislative approvals (e.g., zoning amendment, General Plan amendment, Local Coastal Program amendment, Development Plan, Specific Plan, or other legislative action) authorizing or allowing the development, construction, installation, or expansion of any onshore support facility within the County of Santa Cruz shall not be effective unless such authorization is approved by a majority of the voters in the County in a general election.

16.55.050. Exemptions for certain projects.

- (A) Nothing in this ordinance shall apply to prohibit any person or entity from exercising a vested right, obtained pursuant to State or local law, as of the effective date of this ordinance.
- (B) The provisions of this ordinance shall not be applicable to the extent, but only to the extent, that they would violate the constitution or laws of the United States or the State of California.

16.55.060. Compatibility with State and federal law.

This ordinance is intended to apply only to those legislative acts which may be validly exercised by the Santa Cruz County Board of Supervisors in connection with the amendment or enactment of the County of Santa Cruz's General Plan, Local Coastal Program, Development Plan, zoning, Specific Plan, or any other legislative action to provide for the development of onshore support facilities.

16.55.070. Severability.

If any section, sentence, clause, phrase, or part of this ordinance is held unconstitutional or invalid, the remainder of this ordinance shall be given full effect consistent with the intent and purpose of the ordinance.

16.55.080. Modification.

This ordinance may be amended, repealed, or otherwise modified only by a majority vote of the electorate of the County of Santa Cruz in a valid election.

SECTION II

Effective date. This ordinance shall take effect ten (10) days after the election at which it is adopted as certified by the Santa Cruz County Clerk (Elections Department) and reported to the Santa Cruz County Board of Supervisors.