



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060

(831) 454-2580 FAX: (831) 454-2131 TDD: (831) 454-2123

ALVIN D. JAMES, DIRECTOR

Agenda Date: September 19, 2000

September 7, 2000

Board of Supervisors
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Subject: Status of Santa Cruz Biotechnology EIR Contract (Application #98-0647)

Members of the Board:

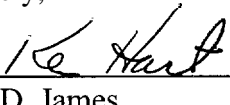
On August 8, 2000 the Planning Department provided you with an update on the status of the Santa Cruz Biotechnology Development Permit and EIR for their biomedical livestock operation master plan. At that time, you directed the Planning Department to return on this date with information regarding execution of the contract for preparation of the EIR by Santa Cruz Biotechnology.

The Planning Department initially requested that signed contract documents and funds for preparation of the EIR be received by July 25, 2000. As a result of action by the Coastal Commission requiring that the goat herd be entirely removed from the Back Ranch Road property, Santa Cruz Biotechnology requested an extension of this deadline. The Planning Director approved this request and established a new deadline of August 31st for the required action. The Planning Department received a letter from Santa Cruz Biotechnology on August 31st requesting an additional 60 day extension of this deadline (Attachment 1). We do not believe that such an extension of time is warranted, however, and the applicant was sent a letter on September 7th indicating that their request had been denied (Attachment 2).

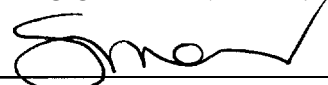
As you can see from that correspondence, Santa Cruz Biotechnology was given until 5 p.m. on September 11th to submit the required contract and funds, or face abandonment of their application. On September 11, the Planning Department received notification from Santa Cruz Biotechnology that they were withdrawing their application for a biomedical livestock operation master plan (Attachment 3).

It is therefore **RECOMMENDED** that your Board accept and file this report regarding the status of the Santa Cruz Biotechnology biomedical livestock operation master plan EIR.

Sincerely,


Alvin D. James
Planning Director

RECOMMENDED:


Susan A. Mauriello
County Administrative Officer

- Attachments:
1. Santa Cruz Biotechnology Correspondence Dated August 31, 2000
 2. Planning Department Correspondence Dated September 7, 2000
 3. Santa Cruz Biotechnology Correspondence Dated September 11, 2000



August 31, 2000

Mr. Alvin D. James
Planning Director
Santa Cruz County Planning Department
701 Ocean Street, Room 400
Santa Cruz, CA 95060

Via hand delivery

Subject: Coastal Zone Permit Application 98-0647

Dear Mr. James:

Santa Cruz Biotechnology, Inc. (SCB) appreciates the professionalism you and your staff have applied towards SCB's master plan application. We particularly appreciate your understanding and cooperation regarding the unusual events that have unfolded over the last 45 days due to the Coastal Commission's actions regarding SCB's operations.

Over the last few weeks, SCB has re-reviewed its master plan proposal and, at this time, we intend to move forward with the existing application on file. However, given input provided by the County, Coastal Commission staff, public members, and considering the magnitude of the proposed EIR, SCB has decided to revise its master plan application with a modified design in order to address concerns that have been previously raised. Specifically, it is our intention to revise the master plan application to reduce the proposed number of animals and related infrastructure from that which is currently proposed.

As you know, it is not uncommon for a project applicant to revise a project's design to resolve potential problems that have been identified in the processing of the application. Moreover, CEQA encourages early consultation with a project proponent and the public to solve problems that may arise in more serious forms later in the review process. We believe that many issues may be resolved in this early stage of our project by modifying the overall number of animals and barn space from the current project design.

Based on the foregoing, SCB requests 60 days to continue preparation of a modified project design with its team of technical consultants. Revised plans will be submitted on or before October 30, 2000. It is our opinion that it would be premature to execute the current EIR contracts, which are associated with the original project design, since the revised project will likely effect the basis of the contracts (i.e. scope of work).

We are hopeful that a modified project design will resolve many issues that have been raised to date and that it will ultimately expedite the processing of this application.

Please call me if you have any questions. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Matt Mullin".

Matt Mullin

cc: David Lee, Assistant Planning Director
Ken Hart, Environmental Planner
Jackie Young, Development Review Planner
Paul Bruno, Thelen Reid & Priest



County of Santa Cruz

PLANNING DEPARTMENT

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ALVIN D. JAMES, DIRECTOR

September 5, 2000

Matt Mullin
Santa Cruz Biotechnology
2161 Delaware Avenue
Santa Cruz, CA 95060

**Subject: Denial of Request for Deadline Extension for Submission of EIR Contract Fees and
Notice of Pending Abandonment of Application #98-0647**

Dear Mr. Mullin:

By letter of Kim Tschantz dated July 14, 2000, (see attached correspondence) the Planning Department transmitted the contract for the preparation of an EIR for application 98-0647, a proposed master plan for biomedical livestock raising, and requested that you sign and return the document by July 25, 2000. Pursuant to your subsequent request, I agreed to extend this deadline until August 31, 2000.

I am now in receipt of your letter dated August 31, 2000 requesting an additional extension of time for submission of funds for preparation of an EIR. The process for signature of contracts and deposit of funds associated with the preparation of EIR's is prescribed under sections 16059(a), (b), and (c) of the Santa Cruz Environmental Review Guidelines:

- 1605(a) "...Contracts will be prepared between the County and the applicant, and between the County and the Consultant selected by the County, to specify the details of the EIR preparation process and costs."
- 1605(b) The applicant shall execute a contract with the County concerning EIR preparation within 60 days of the date that the Environmental Coordinator decides that an EIR is required for the project.
- 1605(c) Upon execution of the aforementioned contracts, the applicant shall deposit with the County Planning Department the total estimated cost of the consultant's services as provided in the contracts.

The Environmental Coordinator determined that an EIR would be required for your project on October 25, 1999. However, due to a number of circumstances, including the need to conduct a public scoping session for the EIR, the County was not able to prepare the required contract documents for signature by Santa Cruz Biotechnology until July 14, 2000. As such, the 60 day

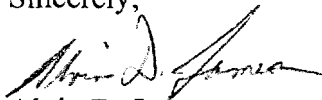
Santa Cruz Biotechnology
Deadline for Action on Application #98-0647

deadline for contract execution and the deposit of funds commenced on July 14th. Please be advised that you have until 5 p.m. on September 11 to execute the contract for preparation of the project EIR and submission of a check in the amount of \$391,115.00 to fund the preparation of this document.

In addition, Section 1602(a) of the County Environmental Review Guidelines provides that, whenever an applicant fails to take action required by Section 1605, "he or she shall be notified by certified mail that his or her application for approval of a project will be declared null and void, and the proposed project deemed abandoned, if the required action is not taken within five working days of the receipt of the notice. **Be further advised that, if you do not submit the required documents and funds by September 11, 2000, you will immediately be sent a Notice of Noncompliance pursuant to Section 1602(a) of the County Environmental Review Guidelines.**

If abandonment of your application occurs, the Planning Department will retain the materials you have previously submitted in support of this application for a period of 60 days. If you elect to revise your application, as you have indicated in your letter, some of these materials may prove useful in evaluating that future proposal.

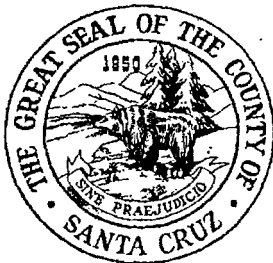
Sincerely,



Alvin D. James
Planning Director

attachment

cc: John and Brenda Stephenson
Board members
County Counsel
Paul Bruno



County of Santa Cruz

PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 400, SANTA CRUZ, CA 950604073

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ALVIN D. JAMES, DIRECTOR

July 14, 2000

Matt Mullin
Santa Cruz Biotechnology
2161 Delaware Avenue
Santa Cruz, CA 95060

SUBJECT: CONTRACTS TO PREPARE AN ENVIRONMENTAL IMPACT REPORT
FOR **APPLICATION** 98-0647 (MASTER PLAN FOR BIOMEDICAL
LIVESTOCK RAISING) AND 97-0648 (PRIVATE HORSE BARN)

Dear Matt,

EIP Associates has been selected to prepare the EIR for the above referenced projects. Enclosed are the Applicant and Consultant contracts for the preparation of the EIR. Please review the enclosed materials and have both John and Brenda Stephenson sign and date the Applicant contract. To have the contracts considered by the Board of Supervisors on the August 8, 2000, as scheduled, the signed Applicant contract must be returned to me by July 25, 2000 along with a check for \$391,115.00 payable to the County of Santa Cruz.

As you may know, I have been involved in negotiations with EIP to resolve my concerns with the original scope of work and budget submitted to County Planning on May 5. These negotiations included discussing each of the items you presented in your letter to me dated June 2. In summary, the EIR budget has first been reduced by \$20,000.00 by adjusting the scope of work. Then the budget has been increased by \$13,200.00 to provide a temporary water supply for the users of the Lanting community well during the pump test and to allow for third party peer review of the hydrogeology analysis by the subconsultant. Changes to the scope and budget are discussed in the enclosed letter from EIP dated July 11.

The third part peer review item is specified in the budget as a contingency item, only to be implemented if deemed necessary during the latter stages of preparation of the Draft EIR. At this time I do not believe third party peer review of Geomatrix's work is necessary; however, it is included to address the concerns you raised about Geomatrix staff in your June 2 letter. After reviewing the Brian Thompson thesis and a letter from Geomatrix principals on the subject of Mr. Thompson and other staff members and discussing the matter with EIP, I do not believe that the analytical work provided by Geomatrix will be biased in any way as suggested in your letter. I am convinced that Geomatrix will provide an adequate and objective evaluation of hydrogeologic issues associated with the project. If you wish, you may review the documents loaned to me by Geomatrix here in County

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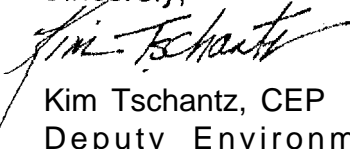
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Letter to Matt Mullin on EIR Contracts
July 14, 2000
Page 2

Planning until I return them on July 25.

Please contact me in advance of submitting the signed contract and the payment to prepare the EIR so I can meet you here in the office and provide you with receipts for payment. I can be reached at (831) 454-3170.

Sincerely,

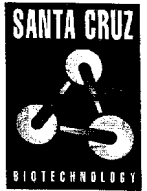


Kim Tschantz, CEP
Deputy Environmental Coordinator

Enclosures: Applicant Contract
Consultant Contract, including Scope of Work and Budget
Letter from EIP dated July 11, 2000

cc: John and Brenda Stephenson (w/o enclosures)
Jackie Young, project planner (w/o enclosures)
Paul Bruno, attorney (w/o enclosure)
Michael Rice, EIP

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September 11, 2000

Mr. Alvin James
Planning Director
Santa Cruz County Planning Department
701 Ocean Street, Room 400
Santa Cruz, CA 95060

Via Hand Delivery

RE: WITHDRAWAL OF APPLICATION NO. 98-0647

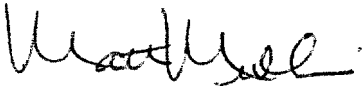
Dear Mr. James:

Santa Cruz Biotechnology, Inc. hereby withdraws coastal zone permit application no. 98-
0647.

Please provide a final invoice, or refund of remaining at-cost permit fees, at your convenience.

If you or your staff have any questions, I may be reached at 457-3800.

Sincerely



Matt Mullin

cc: Paul Bruno, Thelen Reid & Priest