



City of Huntington Beach

File #: 20-1998

MEETING DATE: 11/2/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Ursula Luna-Reynosa, Director of Community Development

Subject:

Adopt Resolution No. 2020-81 supporting the mural-based architectural treatment and associated funding, and approve and authorize execution of a Memorandum of Understanding (MOU) between the City of Huntington Beach and AES Southland Development, LLC

Statement of Issue:

In 2016, the City Council approved Resolution No. 2016-27, "A Resolution of the City Council of the City of Huntington Beach Supporting Proposed Architectural Improvements as Modified and Approximate 150-Foot-High Structures Related to the Reconstruction of the Huntington Beach Energy Project," which, in part, provided that construction of the project would include architectural enhancements to soften the view of the new structures, including the use of an architectural screen wall design to preserve and enhance public visual resources as required in the Coastal Zone overlay.

AES Southland Development, LLC (AES) is proposing to change the architectural enhancements from the previously approved ball-wall structure to a mural. AES is requesting that the City adopt the attached resolution indicating support for the change as well as approve a Memorandum of Understanding (MOU) that would provide a mechanism for the company to provide \$4,900,000 to the City to pursue additional community benefits.

Financial Impact:

There is a positive fiscal impact to the General Fund in an amount of \$4,900,000.

Recommended Action:

A) Adopt Resolution No. 2020-81, "A Resolution of the City Council of the City of Huntington Beach Supporting the Mural-Based Architectural Treatment and Capital Improvement Projects and Programs Related to the Newly Constructed Huntington Beach Energy Project" (Attachment 1); and,

B) Approve the "Memorandum of Understanding AES Southland Development, LLC and City of Huntington Beach" (Attachment 2) and authorize and direct the City Manager to execute the MOU on behalf of the City.

Alternative Action(s):

Do not approve the recommended action and direct staff accordingly.

Analysis:

AES has begun operation of the new Huntington Beach Energy Project (HBEP), a natural gas-fired, combined cycle air-cooled 644-megawatt electrical generation facility, which shall serve as a replacement for the AES Huntington Beach Generating Station (HBGS). The City previously adopted Resolution No. 2016-27, "A Resolution of the City Council of the City of Huntington Beach Supporting Proposed Architectural Improvements as Modified and Approximate 150-Foot-High Structures Related to the Reconstruction of the Huntington Beach Energy Project," which, in part, provided that construction of the HBEP would include architectural enhancements to soften the view of the new HBEP structures, including the use of an architectural screen wall design to preserve and enhance public visual resources as required in the Coastal Zone overlay. The screen wall design was commonly referenced as the "ball wall."

Due to certain concerns related to timing, scale, and potential noise impacts associated with the previously approved ball wall, AES desired to explore alternative architectural enhancements, primarily a mural, to improve the aesthetics of the newly constructed plant.

Following an extensive public outreach effort by AES to the local community, much of the local community supports the development of a mural-based surface treatment by renowned Southern California artist, Kim West, as an alternative to the previously-approved architectural screen. The mural highlights imagery depicting the natural environment, local fauna and flora, and regional features, all intended to highlight nature and the unique Huntington Beach experience.

In support of the mural-based aesthetic design, AES submitted a Design Review Planning Application to the City seeking input from the Design Review Board (DRB). The DRB discussed the proposal at their regularly scheduled meeting on October 8, 2020, and supported the alternative mural concept.

The California Energy Commission (CEC) is the permitting agency for the AES project and, therefore, AES is requesting that the City Council consider adopting an Advisory Resolution from the City recommending approval by the California Energy Commission ("CEC") for the mural at the HBEP.

In consideration of the City issuing an Advisory Resolution recommending approval of the mural, AES agrees to fund, in an amount not to exceed \$4,900,000, certain Capital Improvement Projects (CIPs) and Programs for the City as set forth in the attached MOU.

Environmental Status:

The action to adopt an advisory resolution in support of the mural constitutes an administrative activity by the City Council that will not result in a direct or indirect physical change in the environment. As such, the adoption of the resolution is not a project as defined by Section 15378(b) (5) of the CEQA guidelines and no further environmental analysis is required.

Approving the MOU is exempt in accordance with Section 15061(b)(3) of the CEQA Guidelines as the MOU will not cause a significant effect on the environment. Future projects funded with the

monies provided by AES for community benefits will be analyzed once sufficient detail is available to define project descriptions and the appropriate level of environmental analysis will be conducted.

Strategic Plan Goal:

Non-Applicable - Administrative Item

Attachment(s):

1. Resolution No. 2020-81, "A Resolution of the City Council of the City of Huntington Beach Supporting Proposed Architectural Improvements as Modified and Approximate 150-Foot-High Structures Related to the Reconstruction of the Huntington Beach Energy Project"
2. Exhibit A - Memorandum of Understanding between AES Southland Development, LLC and the City of Huntington Beach