

Capitola City Council

Agenda Report



Meeting: January 22, 2026
From: Public Works Department
Subject: Offshore Oil Drilling

Recommended Action: Authorize the Mayor to submit a letter opposing the Bureau of Ocean Energy Management's proposed 11th National Outer Continental Shelf Oil & Gas Leasing Program.

Background: The Bureau of Ocean Energy Management (BOEM), an agency of the U.S. Department of the Interior, is responsible for managing development of the nation's offshore resources. In 2025, BOEM released its proposed 11th National Outer Continental Shelf Oil & Gas Leasing Program (Proposed 11th Program), which would establish a framework for potential offshore oil and gas lease sales on the U.S. Outer Continental Shelf for the upcoming program period.

Although the Proposed 11th Program does not identify specific lease sale locations at this time, it creates the potential for future offshore oil and gas development in federal waters, including areas offshore of Central California and even within the boundaries of National Marine Sanctuaries. BOEM is currently accepting public comment on the Proposed 11th Program as part of the federal review process through January 23, 2026.

In the late 1980s, Santa Cruz and Monterey Counties helped to form the Central Coast Outer Continental Shelf (OCS) Regional Studies Program to integrate science and policy on OCS proposals, supporting findings that drilling threatened coastal environments, economies, and resources. This regional effort prevented several federal proposals from opening oil and gas drilling operations in the OCS and led to the establishment of the Monterey Bay National Marine Sanctuary (MBNMS).

In support of this effort and to align with regional policies, the Capitola City Council voted unanimously to prohibit onshore facilities for offshore oil in April 1987. That prohibition remains in effect today and is codified in the City's Zoning Code as Municipal Code Section 17.96.090 (Attachment 1). The adopted ordinance prohibits the construction, reconstruction, operation, or maintenance of any commercial industrial offshore oil development support facility within the City. Prohibited facilities and activities include any facility that operates directly in support of any offshore oil or gas exploration, development, drilling, pumping, or production (e.g., oil or gas storage facilities).

The current ordinance is effective at preventing offshore oil development because without access to nearby onshore facilities (e.g., ports, pipelines, storage yards, processing facilities) drilling projects become logistically impractical or prohibitively expensive. By adopting the current ordinance in the 1980s, the City became part of California's "Blue Wall", which refers to a network of local zoning protections enacted by coastal cities and counties that restrict or prohibit the construction of onshore facilities needed to support offshore oil development. To fortify the "Blue Wall", approximately 27 coastal jurisdictions adopted laws requiring local approval (often voter approval) for any onshore support facilities. The City of Capitola's current ordinance is stricter than those adopted by other local jurisdictions, given that it outrightly prohibits any such support facilities, rather than including a requirement for voter approval.

The City's ordinance, as currently adopted, does not specifically call out restrictions on support facilities for seabed mining activities. BOEM's primary focus for the Proposed 11th Program is on scheduling oil and gas lease sales and does not include seabed mining as part of that specific oil and gas leasing program. Although seabed mining is not formally included as part of the Program's schedule or scope, parallel BOEM actions indicate that the agency is also advancing planning and potential leasing for critical minerals on or near the seabed in waters of the United States.

Recently, there have been numerous local and state governments opposing the latest federal effort to allow oil drilling in environmentally sensitive ocean areas. On June 10, 2025, the City of Santa Cruz's City Council unanimously adopted a resolution confirming the City's commitment to prohibiting offshore drilling in the Monterey Bay National Marine Sanctuary and authorized the Mayor of Santa Cruz to send a letter opposing BOEM's Proposed 11th Program.

On June 22, 2025, the County of Santa Cruz Board of Supervisors approved the launch of regional coordination efforts among local communities in the State of California focused on offshore drilling policy advocacy and calling for multi-jurisdictional support. On November 18, 2025, the City of Santa Cruz's City Council approved a Memorandum of Understanding (MOU) with the County of Santa Cruz and executed a Professional Services Agreement with Save Our Shores to coordinate efforts to strengthen regional opposition to offshore drilling and seabed mining.

At the November 13, 2025, Capitola City Council meeting, Council Member Orbach requested that an item regarding City ordinances preventing offshore oil drilling and seabed mining activities be added to a future agenda for discussion. In preparation, staff will present this topic to the City's Commission on the Environment (COE) during a regularly scheduled COE meeting on January 21, 2026. Feedback from the COE will be presented to the City Council on January 22nd.

Discussion: The City of Capitola has adopted policies supporting environmental protection, coastal stewardship, and climate action. The City's economy, quality of life, and community identity are closely tied to a clean, healthy ocean and coastline. Offshore oil and gas development poses documented risks, including oil spills, chronic pollution, harm to marine ecosystems, and negative impacts on tourism, recreation, and fisheries.

The Proposed 11th Program also presents inconsistencies with state and federal laws. The City's coastline borders the MBNMS, which receives federal protection from offshore oil and gas exploration, development, and production within its boundaries under the National Marine Sanctuaries Act. These protections are reinforced by California state laws, such as the Coastal Zone Management Act, which requires federal consistency with state coastal policies. Together, the state and federal laws are intended to preserve the ecological health, scenic value, and economic benefits of the Monterey Bay coastline.

Additionally, expansion of offshore oil and gas leasing is inconsistent with state and local climate goals aimed at reducing greenhouse gas emissions and transitioning to renewable energy sources. The State of California and the City have made clear policy commitments to addressing climate change and protecting coastal resources, and offshore drilling is inconsistent with those objectives.

As part of the regional coordination effort, Save Our Shores representatives are currently reviewing Santa Cruz City and County ordinances against offshore drilling to strengthen their legal defensibility and include protections against the new threat of seabed mining. Staff propose no changes to the City's current ordinance at this time to allow for a coordinated approach with neighboring jurisdictions in support of a shared coastal policy.

Authorizing the Mayor to submit a formal comment letter (Attachment 2) opposing the Proposed 11th Program allows the City of Capitola to document its concerns about the Program, join regional coordination efforts with coastal communities in opposing offshore drilling, and ensure that the City's voice is part of BOEM's public comment record.

Alignment with 2025-2029 Strategic Plan Priority: Accountable Government; Community Safety; Healthy Families, Community, and Environment; Sustainable Infrastructure

Fiscal Impact: There is no fiscal impact associated with the recommended action.

Attachments:

1. Municipal Code Section 17.96.090
2. Mayor's Comment Letter

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