

COASTAL CONSERVANCY

Project Summary
October 23, 2003

ORMOND BEACH ACQUISITIONS

File No. 90-048
Project Manager: Peter S. Brand

RECOMMENDED ACTION: Authorization to reserve up to \$23,000,000 for the acquisition of approximately 500 acres at Ormond Beach for restoration of wetlands and related habitat.

LOCATION: City of Oxnard, Ventura County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: Regional Map
 - Exhibit 2: Ormond Beach Ownership
 - Exhibit 3: Historic Wetlands
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy authorizes reservation from currently available Conservancy appropriations of an amount not to exceed twenty-three million dollars (\$23,000,000) for acquisition of lands for wetland and related habitat restoration at Ormond Beach. These acquisitions may include at least 280 acres of the City/MWD property and 220 acres of the Southland Sod property.

The State Coastal Conservancy further authorizes the acceptance of funds from the Wildlife Conservation Board and other sources to defray or reimburse the Conservancy’s costs for the Ormond Beach properties. To the extent that these funds are committed to the project an equal amount of funds shall be released from the reservation.

No reserved funds shall be disbursed until the Conservancy has taken further action to authorize the terms and conditions of a specific acquisition, which shall be governed by the following requirements:

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1. The Conservancy or its grantee shall pay no more than fair market value for the property as established by an appraisal approved by the Executive Officer or the State Department of General Services.
2. Phase II Environmental Assessments of possible contamination of the property shall be completed and evaluated.
3. Conservancy staff shall seek grants and other funding from the Wildlife Conservation Board and other agencies to defray or reimburse the Conservancy's costs of acquisition.
4. This reservation of funds will terminate after one year if the owners of the property have not signed purchase agreements agreeing to sale of their property.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. Acquisition of additional properties at Ormond Beach by a public agency or nonprofit organization for wetland and related habitat restoration would be consistent with the purposes and criteria of Chapter 6 of the Division 21 of the Public Resources Code (Sections 31251-31270) regarding enhancement of coastal resources.
 2. The Conservancy is authorized under Section 31104 of the Public Resources Code to apply for and accept financial federal grants and other financial support from public and private sources.”
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PROJECT SUMMARY:

Staff recommends that the Conservancy authorize reservation of \$23,000,000 of Conservancy funds for the acquisition of 500 acres of the City of Oxnard/Metropolitan Water District (MWD) property and the Southland Sod property for the potential restoration of coastal wetlands, dunes, and associated uplands at Ormond Beach (Exhibit 2).

The biological significance of this area has been recognized and its restoration potential endorsed by all of the federal and state resource agencies that participate in the Southern California Wetlands Recovery Project. With their support and the support of the County of Ventura and the City of Oxnard, the Conservancy has begun acquisition at Ormond Beach with a goal of acquiring at least 750 acres to accommodate wetland and other habitat needs and at the same time complement the City's goal to complete development of the south Oxnard community. Acquisition and restoration of these properties could at least triple the extent of habitat at Ormond Beach.

In June 2002, the Conservancy acquired the first property, 265 acres including a former tank farm site, from Southern California Edison (Exhibit 2). Acquisition of the additional 500 acres as proposed is critical to meet the goals of the wetland restoration project. The City of Oxnard and the Metropolitan Water District are co-owners of the adjoining 309 acres. The Oxnard City Council has written a letter expressing its interest in selling the property to the Conservancy. MWD has passed a resolution unanimously authorizing staff to negotiate a sale of the property to the Conservancy. Negotiations are underway. All parties have been negotiating on the assump-

tion that two pieces of the property would be excluded from the sale – (1) the northwest corner of the property, which adjoins a paper recycling plant owned by Weyerhauser Corporation, which they would like to buy for a storage site and (2) a 20-acre piece that MWD would like to reserve for a potential desalination plant that they may want to build in the future. Therefore the proposed acquisition is 280 acres.

The reservation of funds is also proposed for the acquisition of the adjoining 220 acres of former wetlands that are currently owned and farmed by Southland Sod. The Conservancy originally authorized acquisition of all of these lands from Edison in a complex transaction that would have resulted in the sod farm retaining that portion not needed for wetland restoration. Edison decided to sell all of the farmland to their lessee, Southland Sod. The owner has since offered to sell all of the 340-acre former Edison property to the Conservancy conditioned upon his purchase of other suitable agricultural land where he can transfer his operations. One option at this time is to acquire 220 acres and an agricultural conservation easement over the balance of the property.

Appraisals for both properties have been prepared by the State Department of General Services, Real Estate Division. The Conservancy has also completed Phase I and II environmental assessments for the former Edison property and a Phase I study of the City/MWD property.

A critical mass of 750 acres of restored wetlands and associated habitat at Ormond Beach is expected to create a self-sustaining biological system and enough tidal prism and flushing action to maintain health and hydrologic function. Anticipated restoration at Ormond Beach would include modifications of the site hydrology to restore tidal action and bring back freshwater flows that had formerly drained across the Oxnard Plain to the coastal wetlands. When integrated with the adjoining 900 acres of freshwater wetlands and the 1,500 acres at Mugu Lagoon, this could be the largest coastal wetland in southern California, spanning nine miles of the coast from Point Hueneme to Point Mugu.

The Conservancy has begun a restoration feasibility study for Ormond Beach and adjoining wetlands which will develop recommendations that address habitat needs of the coastal landscape ecosystem, habitat needs of special status species, water supply and quality issues, mitigation of contaminants, wetland restoration alternatives, priority and timing of restoration activities, public access and interpretive center opportunities, and costs for restoration and management.

Site Description: The City/MWD property proposed for acquisition is currently divided approximately in half between degraded wetlands and farmed land. The Southland Sod property proposed for acquisition was formerly wetlands and related habitat and is currently farmed.

Prior to development, the coast of Ventura was a vast complex of dunes, lakes, lagoons, and salt and freshwater marshes. From the Santa Clara River estuary to the beginning of Mugu Lagoon, it appears from historic maps that there were seven lagoons. Most have either disappeared, been severely degraded, or been converted to marinas or ports. Nevertheless, this is one of the few areas in southern California with an intact dune-transition zone-marsh system.

Ormond Beach is a 1,500-acre area composed of agriculture, industry, and wetlands. A two-mile-long beach extends from Port Hueneme to the northwestern boundary of Pt. Mugu Naval Air Station, which encompasses Mugu Lagoon.

The Ormond Beach wetlands historically were part of a salt marsh and brackish water lagoon and dune system. These lagoons were located behind a narrow sandy barrier beach of low dunes

and fed by water from creeks and surface flow over the plain, and inundated by salt water during high tides or storms. Periodically, the barrier beach was breached by floodwaters and the action of winter storm waves. Some of the lagoons likely remained open to the ocean for a period after the breaching event. Tidal connections have likely always been muted. The site probably received most of its water as runoff from inland sources and from the site's high water table.

The wetlands at Ormond Beach once covered approximately 1,000 acres (Exhibit 3); approximately 250 acres remain. All of the remaining wetlands are within the city's incorporated boundary. Approximately half are on the Edison site and half on the adjoining 309-acre property owned by the City of Oxnard and the Metropolitan Water District.

The lagoons of Ormond Beach have been used as a city dump, developed with a magnesium smelting plant and with the electrical generating plant, and drained for agriculture. Drainage and developments, including the naval air station, have left the Ormond Beach wetlands hydrologically isolated and significantly reduced in size. The remaining wetlands on site are degraded from compaction due to human use and dumping, contaminated from runoff, and suffering from hypersalinity due to lack of flushing.

Wetland types at the Edison site include seasonally inundated brackish and freshwater marshes, and isolated (formerly tidal) salt marshes. Open beach and coastal dune ecosystems also are present. Endangered and threatened species at the site include western snowy plover, California least tern, brown pelican, Belding's savannah sparrow, tidewater goby, and salt marsh bird's-beak (an annual plant). Light-footed clapper rail also occurs in nearby salt marsh habitat of Mugu Lagoon. Many other sensitive species also are present, such as globose dune beetle, spiny rush, and red sand-verbena. More than 200 migratory bird species are reported for the Ormond Beach and Mugu Lagoon wetland complex, and more shorebird species are known there than any other site in Ventura County.

Ormond Beach is considered by wetland experts to be the most important wetland restoration opportunity in southern California. Over 200 migratory bird species are reported for the Ormond Beach area, and more shorebird species are known to use Ormond Beach than any other site in Ventura County. Six threatened and endangered species and six species of concern have been identified on the Edison site.

The Ormond Beach wetlands offer a unique opportunity in the highly developed landscape of southern California to not just enhance but also greatly increase coastal wetlands. In addition, the biological vitality and diversity of the wetlands can be enhanced at Ormond Beach by the restoration of associated habitat such as dunes and surrounding grasslands, which will re-establish wetland-upland ecological connections, fostering edge-dependent species and predator-prey relationships and thereby creating a self sustaining system. Because of conversion to urban uses, no other coastal wetland in southern California offers the opportunity that exists here to restore the wetland to most of its historic extent or surround it with its full complementary habitat.

Project History: The Ormond Beach wetlands have been drained, filled, and degraded over the past century to accommodate agriculture and industrial uses. For the last three decades, there have been numerous proposals for marinas, resorts, and residences in and adjoining the remnant wetlands. During the 1990s, the Conservancy worked with the City, the community, and the landowners of Ormond Beach to extinguish lots on the beach, prepare a plan for restoration of the remnant wetlands on the Edison property, and develop a consensus plan for development and

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wetland restoration on the private lands there. Each of the development proposals for Ormond Beach failed.

In October 1999, the Conservancy proposed to Southern California Edison that it acquire their surplus lands remaining after sale of their Ormond Beach generating plant to Reliant Energy. Edison entered into and terminated negotiations with the Conservancy twice during this period. The Conservancy finally acquired the 265-acre property in June of 2002.

In February 2000 when the Conservancy initially approved the acquisition of Edison properties, it also approved the Wetland Resources Enhancement Plan for Southern California Edison Coastal Properties, including Ormond Beach, which identifies the opportunities for preservation and restoration of these coastal resources. The Enhancement Plan indicates the presence of important resource preservation and restoration opportunities on the property and the surrounding area, recommends acquisition of the property and detailed planning for wetland restoration, and proposes appropriate long-term management scenarios to follow actual restoration.

At its August 2003 meeting, the Conservancy approved funding for a wetland restoration study that would show how this area could be restored and linked hydrologically and as an ecosystem. Given the complexities of wetland restoration planning for this and adjoining sites, the Conservancy will require some time to complete all of the planning, environmental analysis, and other requirements that are needed to construct the wetlands.

PROJECT FINANCING:

Coastal Conservancy	\$23,000,000
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The anticipated source of Conservancy funds is the California Clean Water, Clean Air, Neighborhood Parks and Coastal Protection Act, Proposition 40. The project will help implement the purposes of the act including the acquisition of land and water resources in accordance with Division 21. Projects also must give priority to projects that include a commitment for a matching contribution.

To the extent that grant funds are committed to the project by other agencies, an equal amount of funds shall be released from the Coastal Conservancy reservation. Wildlife Conservation Board funds are anticipated from their Proposition 50 allocation which gives priority to coastal wetlands in southern California. The Ormond Beach wetlands are a high priority for the Southern California Wetlands Recovery Project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to the Conservancy's enabling legislation, Division 21 of the Public Resources Code; in particular Chapter 6 (Public Resources Code Sections 31251-31270). In approving the Wetland Resources Enhancement Plan for Southern California Edison Properties, which calls for further detailed restoration planning for the Ormond Beach area, the Conservancy determined on February 24, 2000 that the project was consistent with the purposes and criteria set forth in Chapter 6, and with the Conservancy's interim Program Guidelines, adopted May 27, 1999. The project as now recommended remains consistent with these findings.

Consistent with Section 31253, the level of Conservancy funding for this project has been determined through consideration of the total amount of funding available for coastal resource projects, the relative urgency of the project, and other factors including in particular the availability of state funding from the Wildlife Conservation Board for this acquisition effort.

**CONSISTENCY WITH CONSERVANCY'S
STRATEGIC PLAN GOALS & OBJECTIVES:**

Consistent with **Goal 4, Objective A**, the project will acquire significant coastal resource properties.

Consistent with **Goal 5, Objective A**, the project will preserve and restore coastal wetlands and dunes.

Consistent with **Goal 1, Objective D**, the project would acquire new right-of-way bridging gaps in the Coastal Trail.

COMPLIANCE WITH CEQA:

The reservation of funds for these acquisitions has no potential for resulting in a physical change in the environment and therefore is not a project as defined by the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15378. When specific acquisitions are presented to the Conservancy for authorization, the appropriate CEQA analysis will be presented to the Board.