

COASTAL CONSERVANCY

Staff Recommendation

October 23, 2003

**NCCP PROGRAM IMPLEMENTATION:
SAN DIEGO RIVER AND OTAY RIVER WATERSHED PROPERTIES**

File No. 03-137

Project Manager: Marc Beyeler

RECOMMENDED ACTION: Authorization to disburse up to \$7,200,000 to the San Diego River Park-Lakeside Conservancy and to disburse \$7,420,000 to the State Department of Fish and Game to acquire properties within the San Diego River and the Otay River watersheds in order to implement the San Diego Multiple Species Conservation Plan (MSCP), approved by the Conservancy on June 25, 1998, as part of the state's Natural Communities Conservation Planning (NCCP) Program, and to implement the San Diego River Park: Lakeside NCCP Program, adopted by the Conservancy on June 25, 2001.

LOCATION: Southwestern San Diego County; San Diego River and Otay River watersheds (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Location Maps

Exhibit 2: Property Maps

Exhibit 3: MSCP Preserve

Exhibit 4: June 25, 1998 Staff Recommendation

Exhibit 5: June 25, 2001 Staff Recommendation

Exhibit 6: Letters of Support

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 hereby authorizes the disbursement of an amount not to exceed seven million two hundred thousand dollars (\$7,200,000) to the San Diego River Park-Lakeside Conservancy for acquisition of property described in Exhibit 2A of the accompanying staff rec-

ommendation to implement the SDRP: Lakeside NCCP Enhancement Plan approved by the Conservancy on June 25, 2001; and further authorizes the disbursement of an amount not to exceed seven million four hundred twenty thousand dollars (\$7,420,000) to the Department of Fish and Game, for the acquisition of property described in Exhibit 2B of the accompanying staff recommendation to implement the Multiple Species Conservation Program (MSCP), approved by the Conservancy on June 25, 1998, subject to the following conditions:

1. Prior to the disbursement of any funds for the acquisition of each property, the Executive Officer of the Conservancy ("Executive Officer") shall review and approve all relevant acquisition documents, including but not limited to an appraisal, agreement of purchase and sale and documents of title; and all other funds necessary to carry out the acquisition shall be provided.
2. The acquiring entity shall pay no more than fair market value for the property as established in an appraisal approved by the California Department of General Services.
3. The acquiring entity shall dedicate the property for natural resource protection, open space preservation and public access in an appropriate instrument approved by the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which has been reviewed and approved by the Executive Officer.

The Conservancy further authorizes the acceptance and disbursement of funding from the Wildlife Conservation Board and the Resources Agency to defray or reimburse the Conservancy for the costs of acquisition."

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. The proposed acquisitions are consistent with and will help to carry out resource enhancement plans adopted by the Conservancy on June 25, 2001 and June 25, 1998 respectively, pursuant to its authority under Public Resources Code Sections 31251-31270 regarding enhancement of coastal resources.
2. The proposed projects are consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The San Diego River Park-Lakeside Conservancy is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the California Public Resources Code."

PROJECT SUMMARY:

Conservancy staff is recommending Conservancy authorization to disburse up to \$14,620,000 to acquire habitat properties in the San Diego and Otay River watersheds to implement the State's NCCP Program and to implement the San Diego River Park Program. Conservancy staff has

worked closely with the Wildlife Conservation Board, the California Department of Fish and Game, the Resources Agency, the County of San Diego, various local Cities, and the San Diego River Park-Lakeside Conservancy, a local nonprofit organization, to identify key properties for acquisition and to assemble appropriate funds to implement these programs.

Two projects are recommended for funding in this authorization: (1) acquisition of up to 100 acres within the San Diego River in Lakeside, known as the Calmat property; and (2) acquisition of approximately 2,000 acres in the upper watershed of the Otay River Valley in Hollenbeck Canyon, known as Honey Springs Ranch.

CalMat Property: The Calmat property is to be acquired by the Lakeside Conservancy and restored as riparian habitat. The Lakeside river district is an important riparian habitat linkage in the MSCP. In addition, the CalMat acquisition will be the first in a county-wide effort to create a San Diego River Park extending the length of the river designed to restore habitat and provide public access to the river. The 100-acre CalMat property will be acquired as part of a 250-acre San Diego River Park in Lakeside. The Lakeside Conservancy intends to restore the site to its former riverine and riparian habitats to benefit several threatened and endangered species and to restore the historic floodplain offering the community flood protect and water quality benefits. This effort is more fully described in the Lakeside NCCP Enhancement Plan approved by the Conservancy in June 2001 (Exhibit 5).

Honey Springs Ranch Property: The Honey Springs Ranch is to be acquired by the California Department of Fish and Game, to be managed as habitat preserve. Acquisition of the Honey Springs Ranch within Hollenbeck Canyon will preserve a large portion of the southern end of Hollenbeck Canyon and Jamul Creek and will also preserve a larger portion of the established north-south wildlife corridor along the entirety of Hollenbeck Canyon. In addition, acquisition of the subject property will provide a large habitat area linking with Otay Mountain to the southwest and the Jamul Mountains to the north; preserve an essential north-south habitat linkage between coastal watersheds from the Tijuana River watershed to the San Diego and San Dieguito River watersheds in the north; and preserve essential east-west habitat linkages between the Cleveland National Forest and habitat preserves in the western portion of the Otay River valley, including the coastal resources of South San Diego Bay. These areas/linkages are identified in the San Dieguito River Valley/Multiple Species Conservation Plan (MSCP) Enhancement Plan adopted by the Conservancy in June 1998 (Exhibit 4). Maintaining and preserving these habitat core areas and linkages is essential to the sustainability of various threatened and endangered plant and animal species within the coastal draining watersheds, including important threatened coastal resources, such as riparian and coastal sage scrub habitats.

The City of San Diego's MSCP is one of the most important regional plans which make up the State of California's NCCP Program. Since 1998 the Conservancy has been an active partner in implementing the NCCP program in the coastal areas of San Diego and Orange Counties, including the MSCP.

The NCCP program is a cooperative effort to protect habitats and species. The program, begun in 1991 under the state's Natural Communities Conservation Planning Act, is intended to conserve natural communities at the ecosystem scale while accommodating compatible land uses. The Conservancy adopted the Multiple Species Conservation Plan (MSCP) on June 25, 1998 (Exhibit 4), providing for the acquisition of properties within the core biological resource areas and associated habitat linkages identified in the MSCP.

In June 2003, the Coastal Conservancy and the Wildlife Conservation Board (WCB) entered into an Interagency Agreement (IAA) in a cooperative effort to facilitate the acquisition of real properties as part of the state's Natural Communities Conservation Planning (NCCP) Program, whereby the WCB granted approximately \$36 million to the Coastal Conservancy.

The Conservancy also will be receiving funds from the California Resources Agency from the River Parkway program to implement the San Diego River Park program. Since 2000 the Conservancy has been working with the local public agencies and local citizens to protect and restore the San Diego River.

All property acquired pursuant to the IAAs and this authorization will be acquired, held, used, and managed for the purposes of wildlife habitat preservation, restoration and management, wildlife-oriented education and research, and compatible public uses, consistent with wildlife habitat preservation, in order to enhance the natural and scenic character of coastal watersheds and their resources.

Site Description: The Multiple Species Conservation Planning area of southwestern San Diego county includes the most ecologically significant watersheds in San Diego county, including both the San Diego River and the Otay River watersheds. The City of San Diego is the lead agency in establishing the 172,000-acre MSCP preserve in southwestern San Diego County (Exhibit 3).

Both the San Diego River and the Otay River watersheds are important parts of the region's MSCP. The portion of both river watersheds which contain the subject properties to be acquired as part of this staff recommendation are within the Core Biological Areas and Corridors of the MSCP. Both the San Diego River and Otay River have been designed as River Parkways and have active planning and implementation efforts currently ongoing for open space and habitat preservation as well as public access and public recreation.

The Lakeside portion of the San Diego River includes significant riparian, creek, and related stream habitats which can be restored and enhanced. A conceptual restoration plan has been completed and detailed habitat and riparian restoration plans will be developed for the Calmat property upon completing the acquisition.

Acquisition of lands in Hollenbeck Canyon in the Otay River watershed, including the Honey Springs Ranch property, is important because it preserves area of high and very high quality habitat. Hollenbeck Canyon and Jamul Creek are tributaries of Dulzura Creek, both of which are important watershed components of the Otay Lakes Reservoir and the Otay River Parkway.

Project History: Since 1998 the Conservancy has been assisting local, regional, state, and federal agencies in the implementation of the MSCP, as part of the state's NCCP program. Between 1998 and 2000, the Conservancy received \$10 million to implement the MSCP. Using these and other funds granted to it, including River Parkway monies, the Conservancy has approved the expenditure of funds for property acquisition within both the San Diego and Otay River watersheds. Since 1990 the Conservancy has been a partner and funder in establishing a River Parkway in the Otay River watershed. Since 2000 the Conservancy has been a partner and funder in establishing a River Parkway in the San Diego River watershed.

Currently, the Coastal Conservancy is a project partner, and/or project funder, in several important coastal resource protection projects in the subject watersheds, including the eradication of

non-native invasive plant species, the restoration and enhancement of coastal wetlands, riparian habitat restoration, and the provision of public access and recreational facilities.

PROJECT FINANCING:

<u>\$14.62 Million</u>	<u>Recommended Authorization</u>
\$7.42 Million	WCB/NCCP-Honey Springs Ranch
\$3.0 Million	WCB/NCCP-Calmat
\$4.2 Million	CRA/River Parkways-Calmat

No new Conservancy funds are being requested as part of the proposed authorization. The Honey Springs Ranch acquisition will be funded under WCB's NCCP grant to the Conservancy from the "Safe Neighborhood, Clean Water, Clean Air and Coastal Protection Bond Act of 2000" (Proposition 12). The CalMat acquisition will utilize funds granted to the Lakeside Conservancy as part of the Conservancy's June 2001 authorization to implement the Lakeside NCCP Enhancement together with \$3,000,000 granted to the Conservancy by the WCB for NCCP implementation projects; and \$4,200,000 from a Resources Agency grant of River Parkway funds from the "California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Act of 2000" (Proposition 40). Acquisition of coastal draining watershed lands in San Diego and Otay River watersheds to protect coastal natural resources and implement the state's NCCP is consistent with the anticipated funding sources. Additional funds from the General Fund and Proposition 50 will be used to complete the Calmat acquisition. All grant funds have been approved.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) provides for the Conservancy's participation in a program of coastal resource enhancement. The proposed authorization would facilitate the preservation of significant coastal natural resources. Protecting the headwaters of the Otay River watershed is of critical importance in ensuring the sustainability of riparian ecosystems and the downstream areas of this watershed. Protecting riparian resources along the San Diego River is essential to ensuring the sustainability of the riparian ecosystem of the San Diego River. Loss of upstream habitat in both watersheds will adversely affect water quality and aquatic ecosystem health within coastal areas of the larger watersheds.

In June 2001 the Conservancy approved the SDRP NCCP Enhancement Plan pursuant to its authority under Chapter 6 of Division 21 (Exhibit 5). The Plan calls for the acquisition of key properties along the San Diego River containing riparian resources in order to protect larger watershed natural resources and open space and to provide managed public access. Acquisition of the CalMat property will help to implement the plan and accomplish these purposes and is consistent with Chapter 6.

In June 1998 the Conservancy approved the MSCP Enhancement Plan pursuant to its authority under Chapter 6 of Division 21 (Exhibit 4). The Plan calls for the acquisition of key properties within the MSCP containing important coastal resources, including riparian resources in order to protect larger watershed natural resources and open space and to provide managed public access. Acquisition of the Honey Springs property will help to implement the plan and accomplish these purposes and is consistent with Chapter 6.

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

Consistent with **Goal 5 Objective A**, the proposed projects will increase Coastal Resource Conservation by the acquisition of coastal-draining watershed lands that will protect, restore and enhance biological diversity in coastal areas. Objective A directs staff to preserve, restore and enhance important coastal habitats including coastal stream corridors, coastal sage scrub, and oak woodlands. The proposed project contains significant natural resources.

Consistent with **Goal 5 Objective B**, the proposed project will increase Coastal Resource Conservation by the acquisition of coastal-draining watershed lands that will protect, restore and enhance habitat corridors both between core habitat areas along the coast and from coastal habitats to inland habitat areas. The proposed project provides essential habitat lands linking habitat corridors within the larger MSCP area.

Consistent with **Goal 6 Objective A**, proposed project will improve water quality, habitat and related coastal habitats within priority coastal watersheds, developing projects that preserve and restore coastal watersheds and create river parkways.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed projects have widespread community and agency support. The River Parkway and NCCP programs have multiple agency involvement, including federal, state, regional, and local. In addition, the projects involve community nonprofit organizations and members of the general public. Copies of support letters are included in Exhibit 6.
4. **Location:** Located in the upper portions of two priority coastal watersheds, acquisition of these properties for purposes of open space and natural resource protection is essential to contribute to the restoration and enhancement of significant coastal resources, including riparian and watershed resources. Both project locations are in the Core Biological Areas and Core Linkage Areas of the MSCP.
6. **Greater-than-local interest:** The location of the properties at the headwaters of the watersheds is significant both locally and statewide. Significant public land holdings are either adjacent to, or nearby, the proposed acquisitions.

Additional Criteria

8. **Resolution of more than one issue:** The project will address coastal resource protection, habitat quality and species protection, water quality and watershed resource protection, as well as public recreation.
9. **Leverage:** See the “Project Financing” section above.
13. **Realization of prior Conservancy goals:** See the “Project History” section above.
15. **Cooperation:** The proposed projects involve the cooperation of state, local, regional and federal agencies, as well as interested stakeholders and members of the general public.

COMPLIANCE WITH CEQA:

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Sections 15325 and 15313, which apply to transfers of ownership of interests in land to preserve open space or plant and animal habitat and to preserve public access. Staff will file a Notice of Exemption upon approval of the project.

EXHIBIT 4

COASTAL CONSERVANCY

Project Summary
June 25, 1998

**NCCP PROGRAM IMPLEMENTATION:
KONYN PROPERTY ACQUISITION**

File No. 98-011
Project Manager: Marc Beyeler

RECOMMENDED ACTION: Approval of the San Dieguito River Valley/Multiple Species Conservation Program (MSCP) Enhancement Plan and authorization to disburse funds to the City of San Diego to assist in the acquisition of the Konyn property for habitat protection and open space.

LOCATION: San Pasqual Valley, San Dieguito River Valley, San Diego County (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

ESTIMATED COST:	City of San Diego (Local Funds)	\$ 700,000
	Coastal Conservancy (NCCP Program)	<u>2,000,000</u>
	TOTAL:	\$2,700,000

PROJECT SUMMARY: Staff recommends that the Conservancy authorize funding for the acquisition of property to assist in the implementation of the Multiple Species Conservation Program (MSCP) of the City of San Diego. This property consists of approximately 338 acres in the San Pasqual Valley within the San Dieguito River Valley.

The parcels to be acquired are critical habitat acquisition priorities identified in the MSCP and the San Dieguito River Valley/Multiple Species Conservation Program (MSCP) Enhancement Plan (Exhibit 2). The 11,000-acre San Pasqual Valley, within the much larger coastal San Dieguito River Valley, represents a major open space within the MSCP, linking the coastal portion of the San Dieguito River Valley on the west to the San Dieguito River's source on the 5,700-foot Volcan Mountain to the east.

EXHIBIT 4

Acquisition of this property will consolidate public ownership of most of the habitat lands in the San Pasqual Valley. The property will be managed by the City of San Diego as part of the San Pasqual properties already held by the City.

Staff of the Coastal Conservancy has been working with local public agencies and local citizens to protect and restore the San Dieguito River Valley for the past decade and more. Since earlier this year, Conservancy staff has been working with City of San Diego officials to accomplish the proposed property acquisition.

Preservation of the natural features of the coastal draining San Dieguito River Valley through acquisition of sensitive habitat lands contributes to the preservation of the coastal lagoon and wetlands and nearshore water quality through reduced runoff and sedimentation within the river watershed.

The San Pasqual Valley contains some of the City of San Diego's most valuable endangered habitats which require protection as part of the City of San Diego's adopted Multiple Species Conservation Program (MSCP). The City of San Diego is taking the lead in a plan to establish a 172,000-acre preserve in southwestern San Diego County.

In conjunction with this plan, the City of San Diego has identified the San Pasqual Valley as one of the most critical and largest habitat linkages between the coast and the interior habitat areas within the County. The area contains core populations of sensitive species, including the California gnatcatcher and the coastal cactus wren.

The City of San Diego is requesting a \$2 million grant to assist in the acquisition of this watershed property in the San Pasqual Valley within the City of San Diego. This timely acquisition grant to the City of San Diego will allow the city to leverage approximately \$15 million in habitat acquisitions in the coastal watershed areas of the San Dieguito and Los Penasquitos river valleys.

The San Pasqual acquisition is one of the most important acquisitions included in the MSCP. In addition, the other property acquisitions in the coastal portions of both the San Dieguito and Los Penasquitos river valleys which would be leveraged by the San Pasqual Valley acquisition, are also important acquisitions within the MSCP, comprising high quality

EXHIBIT 4

habitat lands within the Core Biological Resource Areas and Linkages established by the MSCP.

The City of San Diego's MSCP program is one of a number of sub-regional plans in San Diego which make up San Diego County's portion of the State of California's Natural Community Conservation Planning (NCCP) program. The NCCP program is intended to protect endangered habitats and species and promote continued regional biodiversity by creating a network of large, interconnected habitat preserves throughout southern California.

For FY 1997-98 and again for FY 1998-99, Conservancy staff submitted budget requests for funds to assist in the acquisition, restoration, and enhancement of sensitive habitat lands in San Diego County consistent with the MSCP. Funds for FY 1997-98 did not survive in the budget approved by the Legislature and signed by the Governor. Funds for FY 1998-99 have been included in the Governor's Budget and have been approved by both houses of the Legislature. Final appropriation of these funds to the Conservancy await approval of the state budget later this year.

The City of San Diego has requested action by the Conservancy at this time in order to demonstrate good faith to the private property owner. Disbursement of the funds to the City will be contingent upon the approval of the state budget, including funds specifically targeted for NCCP implementation in San Diego.

COASTAL CONSERVANCY

Staff Recommendation

June 25, 1998

NCCP PROGRAM IMPLEMENTATION:

KONYN PROPERTY ACQUISITION

File No. 98-011

Project Manager: Marc Beyeler

STAFF

RECOMMENDATION: 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 hereby approves the San Dieguito River Valley Multiple Species Conservation Program Enhancement Plan, attached to the accompanying staff recommendation as Exhibit 2, and authorizes the disbursement of an amount not to exceed two million dollars (\$2,000,000) to the City of San Diego for the costs of acquiring property, located in the San Pasqual Valley within the San Dieguito River Valley, known as the Konyon Property (San Diego County Assessor's Parcel Numbers 241-100-33; 42 and 43; 276-010-10; 276-021-01), subject to the following conditions:

1. No funds shall be disbursed pursuant to this authorization unless and until the Legislature has enacted, and the Governor has signed, a budget for the 1998-99 Fiscal Year that appropriates funds to the Coastal Conservancy for implementation of the NCCP program in San Diego;
2. Prior to the disbursement of any funds, the City shall submit for the review and approval of the Executive Officer of the Conservancy all relevant documents, including the appraisal, agreements of purchase and sale, escrow instructions and documents of title necessary for the acquisition of the property;
3. The property acquired pursuant to this authorization shall be managed and operated in a manner consistent with the purposes of habitat protection and restoration and open space protection, as provided in the San Dieguito River Valley Multiple Species Conservation Pro-

EXHIBIT 4

gram Enhancement Plan, and as the Plan may be amended from time to time;

4. The City shall pay no more than fair market value for the property acquired pursuant to this authorization; and
5. Conservancy funding shall be acknowledged by a sign(s) within the San Pasqual Valley, consistent with a sign plan or equivalent which has been reviewed and approved by the Executive Officer of the Conservancy."

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. The proposed project is consistent with the guidelines and criteria set forth in Chapter 6 of the Public Resources Code (Sections 31251-31270) regarding the enhancement of coastal resources; and
2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy's Resource Enhancement Program Announcement adopted on March 21, 1985.”

STAFF DISCUSSION:

Project Description: The City of San Diego is requesting a grant from the Coastal Conservancy to assist in the acquisition of approximately 338 acres of sensitive habitat lands in the San Pasqual Valley within the San Dieguito River Valley (Exhibit 3).

Staff recommends that the Conservancy approve the San Dieguito River Valley/Multiple Species Conservation Program Enhancement Plan and authorize funding to assist in its implementation through the acquisition of parcels located within the San Pasqual Valley.

The property to be acquired is designated as a habitat acquisition priority within the San Dieguito River Valley/Multiple Species Conservation Program Enhancement Plan and the MSCP of the City of San Diego. The City of San Diego has requested a two million dollar grant to complete acquisition of

EXHIBIT 4

critical habitat, riparian, and uplands within the San Pasqual Valley.

The San Pasqual Valley represents a major open space within San Diego County, linking the coastal portion of the San Dieguito River Valley to the west with Volcan Mountain to the east. Acquisition of the subject property will consolidate public ownership of most of the valley. The subject property is the highest public acquisition priority in San Pasqual Valley.

Preservation of the natural features of the coastal draining San Dieguito River Valley through acquisition of sensitive habitat lands contributes to the preservation of the coastal lagoon and wetlands and nearshore water quality through reduced runoff and sedimentation within the river watershed.

Further implementation of the MSCP will achieve local, regional, and statewide goals for natural resource and species protection, as well as open space preservation and the provision of public access opportunities. This grant enables the Coastal Conservancy to utilize the funds for multiple public purposes: habitat protection, open space preservation, and the provision of public access and passive recreation.

Project Financing: The City of San Diego is requesting a \$2 million grant from the Coastal Conservancy to assist in the acquisition of this watershed property in the San Pasqual Valley within the City of San Diego in order to leverage approximately \$15 million in habitat acquisitions in the coastal watershed areas of the San Dieguito and Los Penasquitos River valleys. The City of San Diego will be contributing \$700,000 of existing mitigation dollars toward the acquisition of this property.

The acquisition of this key parcel utilizing Coastal Conservancy funds would allow the expenditure of limited local dollars to be focused on more costly, but as critical, parcels located further to the west in the coastal zone in the San Dieguito River Valley, Carmel Valley, and Los Penasquitos watershed.

The City of San Diego is currently pursuing the approval of a bond issue of approximately \$15 million for MSCP short-term acquisition needs. Because the timing of the bond issue will not coincide with the time constraints associated with this opportunity purchase, the provision of funds from the Coastal Conservancy is considered critical.

EXHIBIT 4

For FY 1997-98 and again for FY 1998-99, Conservancy staff submitted budget requests for funds to assist in the acquisition, restoration, and enhancement of sensitive habitat lands in San Diego County, as part of the state's NCCP program, consistent with the MSCP. Funds for FY 1997-98 did not survive in the budget approved by the Legislature and signed by the Governor. Funds for FY 1998-99 have been included in the Governor's Budget and have been recommended for approval by the Legislature. Final appropriation of these funds to the Conservancy await approval of the state budget later this year.

The City of San Diego has requested action by the Conservancy at this time in order to demonstrate faith to the private property owner. Disbursement of the funds to the City will be contingent upon the approval of the state budget.

City of San Diego (Local Funds)	\$ 700,000
Coastal Conservancy (NCCP Program)	<u>2,000,000</u>
TOTAL:	\$2,700,000

Site Description: The 338-acre site is located within the City of San Diego's adopted San Pasqual Valley Plan (June 1995) and MSCP Subarea Plan as well as the San Dieguito River Park Concept Plan which proposes to link the coastal portion of the San Dieguito River Valley on the west to Volcan Mountain on the east. Acquisition of this property would not only assist in the implementation of the goals of the City's MSCP and San Pasqual Valley Plan but also the principal objectives of the San Dieguito River Park Joint Powers Authority (JPA).

Among the objectives of the JPA in implementing its Concept Plan is the creation of a natural continuous open space from the coast to the crest of Volcan Mountain, which maintains and enhances the San Dieguito River Valley's natural functions including its value as a major coastal watershed and its significant natural habitats.

The Konyn property, which contains over 255 acres of sensitive coastal sage scrub habitat and 32 acres of coast live oak woodland habitat, provides a critical link along this corridor from the coast to points further east. In addition, purchase of the property as open space would avoid creating adverse water quality impacts downstream associated with the site's potential development, thereby improving the water quality in the San

EXHIBIT 4

Diegui-to Lagoon, the river's confluence with the Pacific Ocean.

Project History: Staff of the Coastal Conservancy has been working with local public agencies and local citizens to protect and restore the San Dieguito River Valley for the past decade and more.

Since earlier this year, Conservancy staff has been working with local officials to accomplish the property acquisition. Staff is recommending that the Conservancy authorize funding to the City of San Diego to assist in the acquisition of the subject property. The property will be managed by the City of San Diego as part of the San Pasqual Valley Management Plan. The management plan is required to be completed with three years of transfer of the property. The plan is expected to focus management on the preservation of existing sensitive resources on the site by directing public access along designated points of interest.

San Pasqual Valley contains some of the City of San Diego's most valuable endangered habitats which require protection as part of the City of San Diego's Multiple Species Conservation Program (MSCP). The San Dieguito River Valley also contains significant habitat and species which require protection, restoration and enhancement.

The subject property consists of 338-acres and is located within the San Pasqual Valley segment of the San Dieguito River Valley which extends from the coast between Del Mar and Solana Beach to Volcan Mountain north of Julian. Since the late 1950s, the City of San Diego has been the major landowner within the 11,000-acre San Pasqual Valley.

The subject property is the largest of only a few remaining private in-holdings within the Valley. Lands acquired thus far by the City have been for the dual purpose of water supply and water quality. The potential exists for the site to be developed with residential uses by the underlying zone, which would have negative effects on the natural functions of the river valley, including loss of natural habitat and degradation of water quality. Preservation of the property's natural habitats would ensure that the natural functions in the immediate area as well as downstream coastal resources would be retained.

The City of San Diego is taking the lead in a plan to establish a 172,000-acre preserve in southwestern San Diego County. The

EXHIBIT 4

City of San Diego's MSCP program is one of a number of sub-regional plans in San Diego which make up San Diego County's portion of the State of California's Natural Community Conservation Planning (NCCP) program. The NCCP program is intended to protect endangered habitats and species and promote continued regional biodiversity by creating a network of large, interconnected habitat preserves throughout Southern California.

PROJECT SUPPORT: The acquisition of additional habitat lands within the San Pascual Valley is supported by federal, state, regional, and local public officials and by local citizens and environmental groups.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION: This project implements the San Dieguito River Valley/Multiple Species Conservation Program Enhancement Plan consistent with Chapter 6 of the Conservancy's enabling legislation, Sections 31251-31270 of the Public Resources Code, regarding enhancement of coastal resources.

Consistent with Section 31251, the grant of funds for acquisition of this property will be utilized for the assembly of parcels and the creation of a regional habitat and open space preserve which will enhance the natural and scenic qualities of the San Dieguito River Valley area. Acquisition and enhancement of the San Dieguito River Valley watershed resources will enhance the natural and scenic character of coastal resources, consistent with Section 31251.2, by retaining natural habitats and linkages for coastal wildlife species. As required under Section 31251.2, this project is being undertaken at the request of the City of San Diego, which has jurisdiction over the project area.

Consistent with 31252, the San Dieguito River Valley is identified as important coastal open space in the City of San Diego's LCP. The City has reviewed the San Dieguito River Valley/Multiple Species Conservation Program Enhancement Plan pursuant to Section 31258(b) and found it to be consistent with the LCP.

CONSISTENCY WITH CONSERVANCY'S

EXHIBIT 4

PROGRAM GUIDELINES: **Significance:** The San Pasqual Valley property has significant habitat, species, scenic, and open space values and affords opportunities for passive public access.

Cooperation: The implementation of the San Dieguito River Valley/Multiple Species Conservation Program Enhancement Plan has the cooperation and support of local residents and government agencies.

Scope: Acquisition and enhancement of the San Pasqual Valley property will provide an important link in the coastal greenbelt and habitat preserve for the City of San Diego.

**CONSISTENCY WITH
LOCAL COASTAL
PROGRAM POLICIES:**

The acquisition of the San Dieguito River Valley property is consistent with the City of San Diego's certified Local Coastal Plan and with Coastal Act policies. The City's LCP policies include protecting rare and endangered species and environmentally sensitive habitats, preserving coastal views, and giving priority to preserving coastal open space and developing adequate coastal public access. The San Dieguito River Valley is identified as important coastal open space. The site is identified as a core biological resource area in the adopted MSCP. Preservation of the subject property would further the City's 90 percent conservation goal within its adopted Subarea Plan. The San Diego River Valley/Multiple Species Conservation Program Enhancement Plan, and this recommendation, calls for two implementing actions: acquisition of property for habitat preservation, and preparation of a management plan to preserve the lands so acquired in a natural condition.

**COMPLIANCE
WITH CEQA:**

Land acquisition for the purpose of preserving the land in its natural condition is categorically exempt from the California Environmental Quality Act, under 14 California Code of Regulations, Section 15313. Upon approval, staff will file a Notice of Exemption for this project.

EXHIBIT 5

COASTAL CONSERVANCY

Project Summary
June 25, 2001

**SAN DIEGO RIVER PARKWAY:
LAKESIDE NCCP ENHANCEMENT PLAN**

File No.: 01-098
Project Manager: Marc Beyeler

RECOMMENDED ACTION: Approval of the San Diego River Parkway:Lakeside NCCP Enhancement Plan and authorization to disburse up to \$800,000 to the County of San Diego to undertake planning, habitat restoration, and pre-acquisition activities and trail and management planning, and to acquire property for habitat and open space preservation within the Plan area.

LOCATION: San Diego River, Lakeside area, San Diego County (Exhibit 1)

PROGRAM CATEGORY: Enhancement

ESTIMATED COST: Coastal Conservancy	\$ 800,000
Other Funding Sources	<u>2,000,000</u>
Total Project Funding (to date)	\$2,000,000

Source of Funds: FY 1999/2000 Budget Appropriation: General Fund—San Diego Natural Communities Conservation Planning (NCCP).

PROJECT SUMMARY: Staff recommends that the Conservancy adopt an enhancement plan and authorize funding to assist in the planning for and initial implementation of the San Diego River Parkway in the Lakeside area east of Mission Trails Regional Open Space Preserve in San Diego County, including funding for pre-acquisition actions, habitat restoration activities, and property acquisition within the Plan area.

The properties proposed for acquisition are habitat and open space acquisition priorities identified in the Enhancement Plan. The proposed San Diego River Parkway segment represents a major open space and habitat corridor starting from immediately east of the City of San Diego, linking the Mission Trails open space area on the west to the rural, natural resource areas

EXHIBIT 5

to the east, encompassing the headwaters of the San Diego River 20 miles east in Julian atop Vulcan Mountain.

Spring-fed streams converge in the mountains near Julian to form the headwaters of the San Diego River. The rugged river valley creates an important wildlife corridor and natural resource and open space expanses along its route as it flows through the coastal draining watersheds of the Cleveland National Forest and eastern rural lands, starting at the Lakeside Enhancement Plan area. Flowing out of the foothills near Lakeside, the river passes through the urban communities of greater San Diego on its way to its mouth at the Pacific Ocean adjacent to Ocean Beach, just west of Famosa Slough.

Acquisition of the riparian resource properties within the Plan area will increase public ownership of the riparian habitat within this part of the river valley. The properties lie in the river floodplain and adjacent uplands. The fringes of the floodplain along this stretch of the San Diego River are heavily urbanized, with a mix of residential, commercial, industrial, and public uses. Conservation and enhancement of riparian and riverine resources within this part of the San Diego River Valley will directly contribute to the restoration and enhancement of wetland and riverine resources within the coastal zone through reduced sedimentation and contaminant loading and transport and by improved water quality within the river.

Staff of the Coastal Conservancy has been working with local public agencies and local citizens to protect and restore the San Diego River for habitat and open space protection and for public access for the past year. The Enhancement Plan includes provisions for public access and recreation, as well as open space and resource and habitat conservation and restoration.

The San Diego River Valley contains a portion of the region's valuable endangered habitat and open space resources. Urban San Diego meets the San Diego River at the Enhancement Plan area near Highway 67 in Lakeside. This two-mile stretch of the San Diego River is the starting point of an ambitious community and agency effort to create a river park along the remaining length of the river to its mouth at the Pacific Ocean.

Most importantly, the natural resources within the San Diego River Valley are an important part of the region's Multiple Species Conservation Program (MSCP), a plan to establish a 172,000-acre preserve in San Diego County. The portion of the San Diego River within the Enhancement Plan area is a part of a Core Biological Area and Corridor within the MSCP.

EXHIBIT 5

COASTAL CONSERVANCY

Staff Recommendation

June 25, 2001

**SAN DIEGO RIVER PARKWAY:
LAKESIDE NCCP ENHANCEMENT PLAN**

File No.: 01-098

Project Manager: Marc Beyeler

STAFF

RECOMMENDATION: 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 hereby approves the "San Diego River Parkway: Lakeside NCCP Enhancement Plan," (Enhancement Plan) attached to the accompanying staff recommendation as Exhibit 2, and authorizes the disbursement of an amount not to exceed eight hundred thousand dollars (\$800,000) to the County of San Diego to implement the Plan, subject to the following conditions:

1. Prior to the disbursement of funds for pre-acquisition activities, preparation of trail and management planning documents, or habitat restoration, the Executive Officer of the Conservancy shall approve a work program for each of these, including a budget and a timeline and any contractors the County wishes to employ;
2. Funds may be disbursed for the acquisition of interests in any real property within the Enhancement Plan area, upon approval by the Executive Officer of an acquisition work program. Prior to the disbursement of funds for any acquisition, the County shall submit for the review and approval of the Executive Officer all relevant acquisition documents, including the appraisal, agreements of purchase and sale, escrow instructions, hazardous materials assessments and documents of title, and evidence that the County has secured all funding necessary to the acquisition of that property;
3. The properties acquired pursuant to this authorization shall be managed and operated in a manner consistent with the purposes of public access, recreation, habitat

EXHIBIT 5

restoration and open space protection, as provided in the Enhancement Plan;

4. The County shall pay no more than fair market value for any property acquired pursuant to this authorization; and
5. Conservancy funding shall be acknowledged by erecting and maintaining (a) sign(s) within the San Diego River Parkway, which has been reviewed and approved by the Executive Officer of the Conservancy."

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. The proposed project is consistent with the guidelines and criteria set forth in Chapter 6 of the Public Resources Code (Sections 31251-31270) regarding the enhancement of coastal resources; and
2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy’s Project Selection Criteria and Guidelines adopted on January 24, 2001.”

STAFF DISCUSSION:

Project Description: The County of San Diego is requesting a grant from the Coastal Conservancy to undertake planning, habitat restoration, and pre-acquisition activities, and to acquire sensitive habitat lands within the San Diego River Valley, within San Diego’s Multiple Species Conservation Program (MSCP).

Staff recommends that the Conservancy approve the San Diego River: Lakeside NCCP Enhancement Plan (Exhibit 2) (Enhancement Plan) and authorize funding to the County of San Diego for its implementation, through the acquisition of parcels located within the Plan area and the preparation of pre-acquisition and trail and management planning documents, as well as by initial habitat restoration activities focused on the removal of non-native, invasive plant species.

The Enhancement Plan recommends that properties containing riparian resources be acquired along the river for purposes of public access and recreation, as well as open space and resource and habitat conservation and restoration. The properties

EXHIBIT 5

to be acquired are designated as habitat acquisition priorities within the Enhancement Plan.

Planning for and implementation of the Enhancement Plan will achieve local, regional, and statewide goals for natural resource and species protection, as well as open space preservation and the provision of public access opportunities. This grant enables the Coastal Conservancy to utilize the funds for multiple public purposes: habitat protection; open space preservation; and the provision of public access trails.

Most importantly, the natural resources within the San Diego River Valley are an important part of the region's Multiple Species Conservation Program (MSCP), a plan to establish a 172,000-acre preserve in southwestern San Diego County. The portion of the San Diego River within the Enhancement Plan area is a part of a Core Biological Area and Corridor within the MSCP.

Project Financing: In 1999, the State Legislature appropriated \$5,000,000 to the Coastal Conservancy for NCCP program activities in San Diego. (The Coastal Conservancy approved \$4,200,000 for property acquisition in June 2000.) The remaining funds in this appropriation will be encumbered in this approval. The portion of the San Diego River within the Enhancement Plan area is a part of a Core Biological Area and Corridor within the MSCP.

Coastal Conservancy	\$ 800,000
Other Funding Sources	<u>2,000,000</u>
Total Project Funding (To date)	\$2,000,000

Site Description: The San Diego River Valley represents a major open space resource within San Diego County. Public acquisition will increase public ownership of the riparian resources in this segment of the river valley.

The potential acquisition properties lie in the vegetated river floodplain and adjacent uplands. The fringes of the floodplain along this stretch of the San Diego River are heavily urbanized, with a mix of residential, commercial, industrial, and public uses.

Project History: Staff of the Coastal Conservancy has been working with local public agencies and local citizens to protect and restore the San Diego River for the past year.

In 1999, the Legislature appropriated to the Conservancy \$5,000,000 in general funds for acquisition of open space and

EXHIBIT 5

habitat lands within the San Diego NCCP plan areas. (In June 2000, the Conservancy approved funding to the City of San Diego to undertake additional property acquisition within Carmel Mountain.) This proposed authorization would use the remaining funds from this legislative general fund appropriation.

The San Diego River Valley contains a portion of the City of San Diego's valuable endangered habitats that require protection as part of San Diego's Multiple Species Conservation Program (MSCP), a plan to establish a 172,000-acre preserve in southwestern San Diego County.

PROJECT SUPPORT: The preservation, acquisition and restoration of habitat lands within the San Diego River Valley is supported by federal, state, regional, and local public officials and by local citizens and environmental groups. Letters of support will be hand-carried to the Conservancy's June 25th meeting.

**CONSISTENCY WITH
CONSERVANCY'S
ENABLING LEGISLATION:**

This project implements the San Diego River: Lakeside NCCP Enhancement Plan consistent with Chapter 6 of the Conservancy's enabling legislation, Sections 31251-31270 of the Public Resources Code, regarding enhancement of coastal resources.

Pursuant to Section 31251, the Conservancy may award grants to local public agencies for the enhancement of coastal resources that have suffered a loss of natural and scenic values. This grant will be utilized for the assembly of parcels of land and the creation of a regional open space and habitat preserve that will enhance the natural and scenic qualities of the San Diego River.

Pursuant to Section 31251.2, the Conservancy may undertake a project or award a grant to enhance a watershed resource that is partly outside of the coastal zone. Conservation and enhancement of riparian and riverine resources within this part of the San Diego River Valley will directly contribute to the restoration and enhancement of wetland and riverine resources within the coastal zone through reduced sedimentation and contaminant loading and transport and by improved water quality within the river.

CONSISTENCY WITH
CONSERVANCY'S
PROJECT SELECTION

CRITERIA & GUIDELINES: The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

Promotion of Conservancy's statutory programs and purposes: See Consistency with Conservancy's Enabling Legislation, above.

Consistency with the purposes of the funding source: The expected source of funds for this project is a General Fund appropriation to the Conservancy for land acquisition within the NCCP plan areas.

Support: The implementation of the San Diego River Parkway: Lakeside NCCP Enhancement Plan has the cooperation and support of local residents and government agencies, including State Assemblymembers Christine Kehoe and Charlene Zietel and State Senator Dede Alpert.

Location: Acquisition and enhancement of the San Diego River Valley properties will provide an important link in the coastal greenbelt and habitat preserve for San Diego, linking the city of San Diego and its regional open space preserve on the west to the rural, open space on the east. Protection and enhancement of the river corridor within the Enhancement Plan areas will also benefit coastal resources along the San Diego River.

Need and Urgency: This segment of the San Diego River Valley in San Diego is within a rapidly growing region of the county. Increasing development pressure along with a growing population's need for open space and recreational opportunities makes implementation of the San Diego River Parkway an immediate priority.

Greater than local interest: The San Diego River Valley has been identified as one of the most important biological core and linkage areas within the City of San Diego's Multiple Species Conservation Plan (MSCP). The MSCP is one of the most important regional components of the state's Natural Communities Conservation Planning (NCCP) programs.

Additional Criteria

Leverage: Commitment of state funds continues to leverage the additional commitment of local contributions to the further implementation of the San Diego River Parkway.

Readiness and Realization of Prior Conservancy Goals: Additional land acquisition for open space, habitat protection, and public access and recreation within the San Diego River Valley is a continuation of the Conservancy's long-term partnership with other local, state, and federal agencies.

CONSISTENCY WITH
LOCAL COASTAL
PROGRAM POLICIES:

The proposed Plan area is within the coastal (-draining) watersheds of the San Diego River Valley, encompassing 440 square miles. Consistent with the Conservancy's enabling legislation, the Conservancy may undertake a project or award a grant to enhance a watershed resource that is partly outside of the coastal zone.

COMPLIANCE
WITH CEQA:

All of the activities recommended in the San Diego River Parkway: Lakeside NCCP Enhancement Plan and funded under this authorization are exempt from the California Environmental Quality Act. The planning and pre-acquisition activities are statutorily exempt from the California Environmental Quality Act pursuant to 14 California Code of Regulations Section 15262 in that they involve only feasibility or planning studies, and will be guided by environmental considerations.

The habitat restoration activities, that is, the removal of non-native, invasive exotic plants, is categorically exempt from CEQA, pursuant to 14 California Code Regulations Section 15304, Minor Alterations of Land, as the actions will result in improvement of wildlife habitat and do not involve the removal of healthy, mature scenic trees.

Land acquisition for the purpose of preserving the land in its natural condition and providing public access is categorically exempt from the California Environmental Quality Act, under 14 California Code of Regulations, Sections 15313, Acquisition of land for wildlife conservation purposes; 15325, Transfers of Ownership of Interest in Land to Preserve Existing Natural Conditions; and 15316, Transfer of Ownership of Land in Order to Create Parks. Upon approval, staff will file a Notice of Exemption for this project.