

COASTAL CONSERVANCY

Staff Recommendation

October 23, 2003

**EAST WEST RANCH: PHILLIPS PROPERTY ACQUISITION**

File No. 03-116

Project Manager: Prentiss F. Williams

**RECOMMENDED ACTION:** Authorization to disburse up to \$200,000 to the Cambria Community Services District for the acquisition of a 1.6-acre property, known as the Phillips Property, for inclusion in the public open space known as the East West Ranch.

**LOCATION:** The unincorporated community of Cambria in San Luis Obispo County, approximately 32 miles northwest of the City of San Luis Obispo (Exhibit 1)

**PROGRAM CATEGORY:** Public Access

---

**EXHIBITS**

Exhibit 1: Project Location and Site Map

Exhibit 2: Phillips Property

Exhibit 3: Trails and Uses

Exhibit 4: Letters of Support

---

**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31400 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred thousand dollars (\$200,000) to reimburse the Cambria Community Services District (CCSD) for the acquisition of the Phillips Property (San Luis Obispo County Assessor’s Parcel Number 13-131-033) as shown on Exhibit 2 of the accompanying staff recommendation, subject to the following conditions:

1. Prior to the disbursement of funds, the CCSD shall submit for the review and approval of the Executive Officer of the Conservancy (“Executive Officer”):
  - a. All relevant acquisition documents, including but not limited to, appraisals, agreements of purchase and sale, escrow instructions and documents of title necessary to the acquisition of the property.

- b. Evidence that the CCSD has paid no more than fair market value for the property acquired as established in an appraisal approved by the Executive Officer of the Conservancy.
  - c. An instrument acceptable to the Executive Officer permanently dedicating the property to public access, resource protection and open space purposes, pursuant to Public Resources Code Section 31116(b).
2. The Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign or signs, the design and placement of which has been reviewed and approved by the Executive Officer.”

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 purposes and objectives of Sections 31400 et seq. of the Public Resources Code regarding access to the coast.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The project will serve greater than local needs.”

---

**PROJECT SUMMARY:**

Staff recommends that the Coastal Conservancy authorize the disbursement of up to \$200,000 to the Cambria Community Services District (CCSD) as partial reimbursement for its acquisition of the 1.6-acre Phillips Property, which is adjacent to the eastern portion of the property known as the East West Ranch. The CCSD acquired the East West Ranch in November 2000 using, among other funding sources, a grant from the Coastal Conservancy. The CCSD now operates the East West Ranch for public access and open space preservation (Exhibit 2). Acquisition of the Phillips Property will greatly assist the CCSD’s efforts to maintain and manage the East West Ranch by preventing private residential development on the Phillips property that could inhibit the public’s use and enjoyment of the East West Ranch as public open space. In particular, CCSD’s acquisition of the Phillips Property will aid the development of the planned Cross Town Trail and Santa Rosa Creek Trail that would provide pedestrian and bicycle access from the East Village and Lodge Hill neighborhoods to Moonstone Beach State Beach and to the Coastal Trail located on the West Ranch (Exhibit 3).

At 1.6 acres, the Phillips property is one of the larger parcels in the East Lodge Hill neighborhood (Exhibit 3). According to current land use regulations for Cambria, the property had the potential to be developed with as many as four homes. The development of even one home in such close proximity to public trails and park land has the potential to be a source of ongoing conflict with the CCSD. The most proximate source of future conflict arises from the fact that the only access to the Phillips Property is over property now owned by the CCSD. The owners of the Phillips Property have historically used a dirt driveway, which follows the approximate route of the pedestrian and bicycle trails planned for the East West Ranch. Should the Phillips property be developed with one or more homes, it is likely that the owners of these homes will expect to

take access from the existing driveway. To reduce the risk that the CCSD may have a legal obligation to accommodate some form of access over its property to the land-locked Phillips parcel, the development of which would greatly impair, if not eliminate, future use of the route as a public trail, the CCSD sought to identify possible alternate locations for a driveway to the Phillips Property. The CCSD found no alternative that would not involve significant expense, environmental impacts, or additional property acquisition.

Seeking to eliminate the conflicts that were likely to arise as a result of subdivision and/or development of the Phillips Property in the future, the CCSD obtained a right-of-first-refusal from the Phillips family, securing the ability of the CCSD to purchase the property prior to its being offered for sale on the open market. At the time they negotiated this agreement with the CCSD, the Phillips family had no immediate plans to sell the property. However, changed circumstances necessitated a rapid sale of the property by the Phillips family and the CCSD was asked to exercise its right-of-first-refusal far sooner than it had anticipated. Fortunately, the CCSD was able to fund the purchase from its own cash reserves and complete the acquisition in the very short time period required by the owner. However, the CCSD does not have sufficient reserves to absorb the entire purchase price and has asked the Conservancy to contribute \$200,000, approximately half the purchase price, towards the acquisition.

In addition to aiding in the management of the East West Ranch for public access, acquisition of the Phillips Property by the CCSD would protect the large stand of healthy Monterey pines that exist on the property. This stand is part of the Cambria Monterey pine forest. Any development of the property would require the removal of several trees; thus its acquisition by the CCSD will serve to keep this stand intact.

**Site Description:** The Phillips Property is currently undeveloped and has several sites where houses could reasonably be placed. The property has a permit to connect to the Cambria water system. The property is largely forested with native Monterey pines. These trees, which once grew over much of the central coast of California, now exist in only three places in the state. The California Department of Fish and Game (DFG) lists Monterey pine as “restricted and extremely threatened” in California. The 400-acre East West Ranch is a spectacular property located in the center of Cambria. It is divided by Highway 1 into two sections: the eastern portion, which is approximately 74 acres in size and includes the floodplain of Santa Rosa Creek; and the western portion, which is approximately 350 acres in size and lies along the coastal terrace adjacent to the ocean.

**Project History:** The Coastal Conservancy has been involved with efforts to preserve the East West Ranch as open space since at least 1998. In November 2000, the property was purchased by the American Land Conservancy (ALC) with \$8,000,000 from the Coastal Conservancy (including \$1,000,000 in federal Transportation Enhancement Activities [TEA] Program grant funds), \$1,500,000 from the CCSD, \$500,000 from the County of San Luis Obispo and, most remarkably, nearly \$1,000,000 in private contributions raised by the Cambria Community. The ALC subsequently transferred the property to the CCSD for permanent ownership. The primary reason for the Conservancy’s grant was to preserve the truly outstanding opportunities for public access and recreation afforded on the property, both east and west.

Since it acquired the property from the American Land Conservancy in 2000, the CCSD has managed the property pursuant to an MOU between the Conservancy, ALC and the CCSD. On February 22, 2001, the Conservancy granted \$200,000 to the CCSD for the preparation of a

management plan for the property. The resulting document, “The East West Public Access and Resource Management Plan” (the Plan), was completed and adopted by the CCSD on April 24, 2003 and will guide all future activities on the East West Ranch. The CCSD has successfully managed and maintained the East West Ranch since its acquisition, allowing pedestrian access on pre-existing trails, preserving the natural resources on the property, administering a grazing lease, and addressing the concerns of the neighboring private landowners. Immediately following its adoption of the Plan, the CCSD began taking steps to implement the plan by developing trail designs and seeking grant funding for trail construction. Conservancy staff worked with the CCSD and others to develop the East West Ranch Public Access and Resource Management Plan and has been working with the CCSD to assist in the implementation of the public access component of the plan. By assisting with the CCSD’s purchase of the Phillips Property, the Conservancy would be helping to preserve the State’s investment in the East West Ranch and to protect the public’s ability to enjoy this spectacular coastal resource far into the future.

**PROJECT FINANCING:**

Coastal Conservancy	\$200,000
CCSD*	<u>190,000</u>
<b>Total Project Cost</b>	<b>\$390,000</b>

The anticipated source of Conservancy funds for the proposed project is the Conservancy’s FY 02/03 appropriation from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40). Consistent with the purposes of this funding source, the proposed project would be carried out in accordance with the provisions of Division 21 (see next section) and would involve the preservation of a coastal resource. This project is being given priority because it involves substantial matching funds from the CCSD.

\* The CCSD is compensating the Phillips family for a portion of the property value by approving the transfer of the water connection license currently associated with the Phillips Property to another property owned by the Phillips family elsewhere in Cambria. The market value of this license has been placed at approximately \$190,000 by the appraisal report for the Phillips Property.

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

The proposed project is consistent with Chapter 9 of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code (Sections 31400-31405), regarding public access and enjoyment of coastal resources. Section 31400 states that the Conservancy shall have a principal role in the implementation of a system of public accessways to and along the state’s coastline. Through its ongoing commitment to the enhancement of public access facilities at the East West Ranch, the Conservancy has played an important role in achieving the purposes of Chapter 9. The proposed project would represent a continuation of those efforts.

Section 31400.1 allows the Conservancy to award grants to a public agency for acquisition and development of public coastal accessways that serve more than local public needs. The East West Ranch is located in the heart of a region that is a major destination point for millions of visitors each year from throughout California and around the world. The East West Ranch attracts many of these visitors because of the incomparable views from coastal bluff and because

of its location in the heart of Cambria. The proposed project will facilitate the development of additional access points to the East West Ranch, making it easier for visitors to reach the property from downtown Cambria. The proposed project will also prevent future conflicts with adjacent property owners that could interfere with the public's use and enjoyment of the trail systems being developed on the East West Ranch.

Section 31400.2 requires the Conservancy to consider a number of factors in determining the amount of funding for an access project. Consistent with this section, the proposed level of funding was evaluated relative to the total amount of funding available to the Conservancy for coastal access projects. Also consistent with this section, the fiscal resources of the applicant have been taken into account. In this case, the CCSD has no funds available for land acquisition for parks. The sole sources of revenue to the CCSD are the fees it collects from Cambria property owners for water and sewer service. These fees do not afford the CCSD excess revenue for parks purposes. In spite of these fiscal constraints, the CCSD has devoted considerable resources, in the form of staff time and direct expenditures, towards the maintenance of the East West Ranch property. The CCSD has stretched its limited resources through the initial outlay of cash needed to secure the property and reimbursement of these funds is greatly needed.

Lastly, §31400.2 stipulates that the level of funding for an access project be determined by an application of factors prescribed by the Conservancy for the purpose of determining project eligibility and priority. Consistent with this requirement, and as discussed in greater detail in the section below, the project has been evaluated and found to be consistent with the Conservancy's project selection criteria and guidelines.

**CONSISTENCY WITH CONSERVANCY'S  
STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 1, Objective E** of the Conservancy's Strategic Plan the acquisition of the Phillips Property and its addition to the East West Ranch would facilitate the development of the Cambria Cross Town Trail and Santa Rosa Creek Trail, both of which will provide improved access to the Coastal Trail on the western portion of the East West Ranch from the East Village area of downtown Cambria and the residential neighborhood of East Lodge Hill.

Consistent with **Goal 2, Objective A**, the proposed project would "acquire or improve [a property] . . . to protect open space and views and create parks. . . ."

Consistent with **Goal 2, Objective B**, the proposed project would open a previously inaccessible area to the public.

Consistent with **Goal 2, Objective E**, the proposed project would help to provide additional routes for safe pedestrian and bicycle access to the East West Ranch from the downtown and residential areas, reducing the need for visitors to drive to the East West Ranch, and thereby helping to "alleviate the negative impacts of traffic and congestion on public access."

Consistent with **Goal 4, Objective A**, the proposed project would assist the acquisition of 1.6 acres of open space, including a stand of Monterey pines.

Consistent with **Goal 5, Objective A**, the proposed project would help to preserve a portion of the Cambria Monterey pine forest, a key coastal habitat.

Consistent with **Goal 8, Objective A**, the proposed project would eliminate the prospect of residential development on the Phillips Property, resolving a potential land use conflict between park users and private landowners, helping to achieve of the Conservancy's Strategic Plan.

**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:** State Senator Bruce McPherson and Assemblyman Abel Maldonado have expressed their support for the acquisition of the Phillips Property. The public acquisition of the East West Ranch for the provision of public access and the protection of open space was widely supported by a large and diverse base of organizations and individuals, including The Nature Conservancy, Friends of the Ranch, Sierra Club, the Land Conservancy of San Luis Obispo, the North Coast Small Wilderness Area Preservation Foundation, and others. Many of these same groups support acquisition of the Phillips Property by the CCSD. See Exhibit 4 for letters of support.
4. **Location:** The proposed project is located within the coastal zone of San Luis Obispo County.
5. **Need:** Public acquisition of the Phillips Property is necessary in order to avoid conflicts that could arise were the property to be developed with one or more private residences. Public acquisition is also the best way to assure that the stand of Monterey pines on the property remains undisturbed and intact. The CCSD has already acquired the Phillips property using its own cash resources, but needs to receive reimbursement for this expense to continue the management and maintenance of the East West Ranch as a whole.
6. **Greater-than-local interest:** As discussed in the "Consistency with Conservancy's Enabling Legislation" section above, the proposed project is part of the larger effort to preserve the East West Ranch, a coastal resource of statewide significance.

**Additional Criteria**

8. **Resolution of more than one issue:** The proposed project would facilitate the development of additional trails to and on the East West Ranch, prevent future development that could interfere with the management of the East West Ranch for public access and recreation, and preserve the natural resources on the property, most notably the Monterey pines.
9. **Leverage:** See the "Project Financing" section above.

10. **Conflict resolution:** As discussed in greater detail elsewhere in this staff recommendation, the acquisition of the Phillips property by the CCSD eliminates a potential source of conflict between private landowners and the public.
12. **Readiness:** The Phillips property has already been secured by the CCSD. Upon receiving reimbursement for the acquisition costs, the CCSD will be able to proceed with the trail planning and construction on the East West Ranch as called for in the Public Access and Management Plan. As discussed in the “Project Description” section above, the CCSD has been successfully managing the public access facilities on the East West Ranch and maintaining the property for nearly three years. During the administration of the Conservancy’s planning grant, CCSD staff was instrumental in the timely completion of the Plan.
13. **Realization of prior Conservancy goals:** See the “Project History” section above.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The East West Ranch project is consistent with Policy 1 of the Coastal Plan Policies pertaining to shoreline access contained in the certified San Luis Obispo Local Coastal Program (LCP) Land Use Element. The North Coast Area Plan, which includes the town of Cambria, makes specific mention of the East West Ranch (formerly known as the Fiscalini Ranch) as an area where public access should be preserved and improved.

**COMPLIANCE WITH CEQA:**

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) according to 14 Cal. Code of Regulations Section 15325, which applies to “. . . transfers of ownership of interests in land in order to preserve open space.”

The proposed project is also exempt under §15313, which exempts from CEQA review “. . . acquisition of lands for fish and wildlife conservation purposes including preservation of fish and wildlife habitat, establishing ecological reserves . . . and preserving access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition.”

The proposed project is also exempt under §15316, which exempts from CEQA review the acquisition, sale, or other transfer of land in order to establish a park where the land is in a natural condition and either a management plan for the park has not been prepared, or the management plan proposes to keep the area in a natural condition.

Staff will file a Notice of Exemption upon approval of the project.