

COASTAL CONSERVANCY

Staff Recommendation

January 18, 2006

**Carmel River Parkway Acquisitions**

File No. 06-104

Project Manager: Trish Chapman

**RECOMMENDED ACTION:** Authorization to disburse up to \$3,500,000 to the Big Sur Land Trust for the acquisition of two properties for the Carmel River Parkway in Monterey County.

**LOCATION:** Carmel River Watershed, Monterey County

**PROGRAM CATEGORY:** Integrated Marine and Coastal Resources Enhancement and Public Access

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**EXHIBITS**

Exhibit 1: Project Location Map

Exhibit 2: Property plat maps

Exhibit 3: River Parkway Overview Map

Exhibit 4: Letters of Support

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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31103, 31220 and 31400-31409 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed three million five hundred thousand dollars (\$3,500,000) to the Big Sur Land Trust (BSLT) for the acquisition of the Quail property (Assessor Parcel Number 157-121-006) and all or a portion of the Howe property (Assessor Parcel Number 015-021-005) for the Carmel River Parkway, as shown on Exhibit 2 to the accompanying staff recommendation, subject to the following conditions:

1. Prior to the disbursement of funds for acquisition, BSLT shall submit for the review and approval of the Executive Officer of the Conservancy all relevant acquisition documents, including but not limited to the appraisals, environmental assessments, purchase agreements, escrow instructions, and documents of title necessary to the acquisition of the Howe and Quail properties.
2. BSLT shall dedicate the properties to habitat and resource protection, open space preservation, and public access in a manner acceptable to the Executive Officer.

3. BSLT shall pay no more than fair market value for the Howe and Quail properties, as established in an appraisal approved by the Executive Officer.
4. Within three years of the close of escrow, BSLT shall repay the Conservancy, at no interest, all Conservancy funds disbursed for property acquisitions in excess of one million dollars (\$1,000,000).
5. Within three years of the close of escrow, BSLT shall obtain permanent public access rights to the golf cart bridge over the Carmel River currently owned by the Rancho Cañada Golf Course on terms acceptable to the Executive Officer, or repay the Conservancy all funds disbursed for acquisition of the Howe property.
6. BSLT shall provide security for the repayment obligations contained in Conditions 4 and 5, in a form acceptable to the Executive Officer.
7. BSLT shall acknowledge Conservancy funding by erecting and maintaining on each property a sign that has been reviewed and approved by the Executive Officer.

The Conservancy authorizes its Executive Officer to extend the schedule for repayment of the reimbursable grant to BSLT and acquisition of public access rights to the Rancho Cañada Golf Course bridge upon objective demonstration of good faith efforts to comply with the terms of the grant agreement.”

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 criteria in Chapters 5.5 and 9 of Division 21 of the Public Resources Code (Sections 31220 and 31400-31409) regarding integrated marine and coastal resource enhancement and public access; and with the Conservancy’s authority under Section 31118 to seek repayment of funds granted under Division 21 of the Public Resources Code.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The proposed project is consistent with local watershed management plans and water quality control plans.
4. BSLT is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue code, whose purposes are consistent with Division 21 of the Public Resources Code.”

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**PROJECT SUMMARY:**

The proposed project would provide a \$3.5 million grant to the Big Sur Land Trust to acquire two properties for inclusion in the Carmel River Parkway. BSLT would repay \$2.5 million of the grant funds within three years of acquisition of the properties.

In 2005, BSLT developed the Carmel River Parkway Vision Plan (Parkway Plan) with input from over 250 community members (Exhibit 3). The vision includes a plan for public trails, floodplain restoration, and public education via interpretation and education centers along the

parkway corridor.

The Parkway Plan calls for restoring 264 acres of floodplain habitat and 6.4 miles of stream that have been degraded, buried, or diverted into pipelines. Restoration will improve threatened riparian habitats and improve hydrologic function. The plan also identifies five wildlife corridors that need improvement, particularly at 13 specific pinch points. The plan also identifies key areas for removal of non-native invasive species and restoration with natives. For public access, the plan calls for developing the parkway from the Pacific Ocean to the mid-valley area of Carmel in the near-term, with the long-term goal of extending it into Los Padres National Forest.

The proposed acquisitions would be the first Carmel River Parkway project funded by the Conservancy, and staff anticipates that other parkway projects will follow. BSLT is working on numerous projects to realize the parkway vision, including developing a restoration plan for the floodplain just east of Highway 1, habitat restoration and trail development in Hatton Canyon, and acquisition of key properties for development of the parkway.

Acquisition of the two properties will achieve key elements of the Carmel River Parkway. The Quail property will provide a critical link in the parkway trail and includes 3 acres of floodplain that could be restored. In addition, the Quail property includes a building that will be used as a nature center and education facility. The Howe property will serve as a staging area with parking and equestrian facilities for both the river parkway trail and Palo Corona Regional Park (PCRP).

The Quail property is a three acre piece of land located on the south side of the Carmel River just west of the Quail Lodge neighborhood of Carmel Valley with a current estimated value of \$1.16 million. The property includes a 2-bedroom house currently utilized as an office and visitor center by the Santa Lucia Conservancy. This visitor center would become an educational center for the river parkway. The property has a small parking lot and would serve as a staging area for access to the river parkway trail. As part of the project, BSLT would also acquire public access rights to a 2-mile utility road that will connect the Valley Greens Drive portion of the river parkway to Palo Corona Regional Park. This road will become part of the parkway trail network. The acquisition would also give BSLT a first right to negotiate for the purchase of the remaining 45 acres of the property, which would accommodate further floodplain restoration along the Carmel River.

The Howe property is located at the end of Rio Road on the north side of the Carmel River. The Howe parcel is 5.1 acres and is developed with a home, garage, and barn. The property also includes the road used to access the property which is a critical connection between Rios Road and the river. The current estimated value of the property is \$4.5 million. The site would serve as a trailhead for both the river parkway and Palo Corona Regional Park. The site could accommodate approximately 20 cars or a smaller number of horse trailers. The Conservancy's grant would be contingent on BSLT securing permanent public access rights to the golf cart bridge over the Carmel River that is currently owned by the Rancho Cañada golf course. Use of this bridge is necessary to provide access from the staging area to PCRP and the parkway trail on the south side of the river (See Exhibit 3). BSLT has entered into preliminary negotiations with the golf course and is optimistic it can secure these rights. In order to ensure success of the project, the staff recommends the grant be conditioned upon BSLT securing public access rights. BSLT is exploring the option of utilizing the house and buildings as a scientific field station in partnership with a university partner, which could help fund the acquisition. If a viable partner for use of the buildings is not identified, BSLT will sell a portion of all of the property thus

providing funds for paying off the reimbursable portion of the grant. Alternatively, BSLT may acquire only the undeveloped portion of the property in which case the Conservancy's contribution would be reduced proportionately.

The Big Sur Land Trust owns and manages several pieces of property along the Big Sur coast. In recent years, BSLT has expanded its work beyond Big Sur and made the Carmel River a major focus of its efforts. BSLT is leading the effort to develop the Carmel River Parkway and is pursuing projects to acquire trail access rights, develop the trail network, and plan and implement floodplain restoration projects.

**Site Description:** In *Cannery Row*, John Steinbeck wrote "The Carmel is a lovely little river. It isn't very long but in its course it has every thing a river should have." The Carmel River watershed, 255 square miles in size, is located in the northern Santa Lucia Mountains of Monterey County. In the upper watershed, the river and its tributaries flow in steep-sided canyons. For the last 15 miles, the river flows across the relatively flat Carmel Valley floor to the Pacific Ocean. The upper watershed is primarily public and private forest, grazing and agricultural lands. The lower valley is primarily suburban development.

Located on Rio Road in Carmel Valley, the Howe parcel is 5.1 acres and is developed with a 3600 square foot home, a 550 square foot garage, and a 1,700 square foot barn. The buildings are approximately 3 years old and utilize approximately 3 acres of the property. The remaining two acres of the property are developed as a horse training ring. The property also includes the road utilized to enter the property. The road serves as an earthen flood control levee and is maintained by Monterey County Public Works.

The Howe property is located in an area of Carmel Valley designated as the rural center in the proposed Monterey County General Plan. Adjacent land uses include schools, commercial, residential and a golf course. There is currently a proposal to develop the golf course into work-force housing. The proposed development would include approximately 9 acres of public parkland, including 3,000 linear feet of river bank along the Carmel River.

The Quail parcel is located on the west side of Rancho San Carlos Road in the Quail Lodge neighborhood of Carmel Valley. The property extends to the river bank on the north edge and provides access to the river area via informal trails. The property includes a well and associated water rights. The property is adjacent to a 45-acre parcel owned by the same entity, Quail Lodge Inc. The 45-acre parcel is within the river's floodplain and is currently leased for agriculture.

Quail Lodge Inc. also owns a 2-mile utility road located on the south side of the larger 48 acres. The 3-acre acquisition would include the purchase of an easement over the 2-mile utility road for use as the South Bank River Trail of the Carmel River Parkway. A portion of the 2-mile utility road (.85 miles) has been paved; the remaining length of the road has not been paved and is dirt.

**Project History:** The Coastal Conservancy has been involved in projects along the Carmel River for many years including a \$4,000,000 grant to State Parks for restoration of the Carmel River Lagoon and a \$12,200,000 grant to the Monterey Peninsula Regional Park District for acquisition of Palo Corona Ranch (a part of this grant is being reimbursed to the Conservancy). In 2005, BSLT convened a diverse group of community and agency stakeholders to develop a conceptual plan for a Carmel River Parkway, extending from the lagoon at the mouth of the river, 18.5 miles upstream to San Clemente Dam. Conservancy staff participated in this planning

process and have been working with BSLT to develop projects to implement the Parkway Vision.

The goal of the Parkway Plan was to “create a vision for the Carmel region which emphasizes the preservation and restoration of vital corridors necessary for the long-term function of the landscape.” The plan identified four key objectives: 1) preserve lands essential to the overall health and function of the ecosystem; 2) restore natural function to critically altered systems; 3) develop education opportunities and facilities to serve as connection points to the surrounding landscape; and 4) design a trail network that provides safe access and connections to existing parklands and trail systems.

The proposed acquisitions are one of many efforts that BSLT is currently pursuing to realize the vision of the Carmel River Parkway Plan.

**PROJECT FINANCING:**

Coastal Conservancy grant	\$1,000,000
Coastal Conservancy reimbursable grant	2,500,000
Big Sur Land Trust	1,660,000
Landowner donation	<u>500,000</u>
<b>Total Project Cost</b>	<b>\$5,660,000</b>

The expected source for the Conservancy funds for this project is an appropriation to the Conservancy from the “Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002” (Proposition 50). Proposition 50 authorizes the Conservancy’s use of these funds for the purpose of protecting coastal watersheds through projects undertaken pursuant to the Conservancy’s enabling legislation (Division 21 of the Public Resources Code) to acquire, restore or protect water and land resources (*codified at Water Code Section 79570*).

The proposition further specifies that ten percent of the Conservancy funds are allocated for “the acquisition and development of facilities to promote public access to and participation in the conservation of land, water and wildlife resources.” Eligible projects include training and research facilities for watershed protection and water conservation including “nature centers that are in or adjacent to watersheds and wetlands...that provide wildlife viewing, outdoor experiences, and conservation education programs to the public and to students.” (*Id.* Section 79571(b)).

The proposed project is part of a comprehensive effort to protect and restore the aquatic and riparian habitats of the Carmel River and develop a trail network for public access that is compatible with the habitat goals. The project will acquire floodplain habitat for restoration, as well as facilities to promote public access including a nature center and a research facility. In addition, the proposed project is consistent with the Conservancy’s enabling legislation, as discussed in the “Consistency with Conservancy’s enabling legislation” section below, and with applicable local and regional watershed management plans as discussed in the Consistency With Local Watershed Management Plan/State Water Quality Control Plan section of this report. Finally, the properties will be acquired from willing sellers. The proposed authorization is thus consistent with the funding requirements of Proposition 50.

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

This project would be undertaken pursuant to Chapters 5.5 and 9 of the Conservancy's enabling legislation, Public Resources Code (PRC) Section 31220 regarding integrated coastal and marine resources protection and PRC Sections 31400-31409 regarding public access, respectively.

Section 31220(a) of the PRC authorizes the Conservancy to undertake and award grants for projects that meet one or more criteria of Section 31220(b). Consistent with Section 31220(b), the proposed project will achieve the following objectives: 1) acquires and protects riparian areas, floodplains, and other sensitive watershed lands, 2) provides for public access compatible with resource protection and restoration objectives; and 3) provides for the construction or expansion of nature centers emphasize conservation education.

Pursuant to the requirements of Section 31220(c), the proposed project is consistent with local and state watershed plans. This is discussed in detail below under "Consistency With Local Watershed Management Plan/State Water Quality Control Plan." Section 31220(c) also requires that projects include a monitoring and evaluation component. The Conservancy will monitor the project to ensure that public access is provided and BSLT will evaluate its effectiveness by undertaking periodic estimates of trail and nature center use.

Under PRC Section 31400, the Conservancy has a principal role in the implementation of a system of public accessways to and along the coast. The Conservancy's funding of the proposed acquisitions is consistent with Chapter 9 because of the opportunities for trail connectivity to the coastline and to the thousands of acres of wilderness in Palo Corona Regional Park.

Under Section 31400.1, the Conservancy may award grants to a nonprofit organization to acquire land for public access purposes to and along the coast if the Conservancy has determined that the accessway will serve more than local public needs. The Carmel River Parkway will provide access to the coast and Carmel State Beach, as well as wilderness access to PCRFB and Los Padres National Forest. The river parkway will be an asset for residents throughout the region as well as the many visitors to this popular tourist destination.

Consistent with Section 31400.2, the proposed Conservancy funding, including the amount to be reimbursed, was determined based on the total amount of funding available for projects, the fiscal resources of BSLT, and the urgency of the project relative to other eligible projects.

Under Section 31400.3, the Conservancy may provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public accessways to and along the coast. BSLT will use the authorized funds to acquire properties critical for the development of the Carmel River Parkway trail network.

Consistent with Section 31409, the proposed authorization for land acquisition will assist BSLT in expanding an inland trail system that links to the California Coastal Trail.

Under Section 31118, the Conservancy may seek repayments of funds granted on terms and conditions as it deems appropriate to carry out the provisions of Division 21. Repayment of a portion of the funds recommended for BSLT's acquisition of the Howe and Quail properties would ensure that funds remain available to achieve other purposes consistent with Division 21.

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

Consistent with **Coastal Trail Goal 1 Objective E**, the proposed project will acquire approximately 2 miles of river parkway right-of-way along the Carmel River.

Consistent with **Public Access Goal 2, Objective A**, the proposed acquisitions will add 2 staging areas to the Carmel River Parkway, including providing much needed parking facilities for Palo Corona Regional Park.

Consistent with **Public Access Goal 2, Objective D**, the proposed project includes acquisition of a building to be used for an environmental education facility in conjunction with the Carmel River Parkway.

Consistent with **Habitat Goal 5, Objective A**, the proposed project will acquire 3 acres of floodplain habitat along the Carmel River.

Consistent with **Coastal Watershed Goal 6, Objective A**, the proposed project implement a portion of the Carmel River Parkway Vision 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:** The Carmel River Parkway Vision Plan was developed with the input of over 250 community members. The Carmel River Parkway is supported by Congressman Sam Farr, Assemblymember John Laird, Supervisor Dave Potter, California State Parks, Monterey Peninsula Regional Park District, Transportation Agency of Monterey County, the City of Carmel, the County of Monterey, and several local businesses.
4. **Location:** The proposed acquisitions would be located outside of the coastal zone, but they would connect through the River Parkway trails to Carmel lagoon and the ocean.
5. **Need:** BSLT does not have the funds available to secure these two properties without assistance from the Conservancy. The Conservancy's grant will enable BSLT to secure the properties now, and then raise additional funds to reimburse a portion of the Conservancy's grant. The project could not be accomplished without this interim funding.
6. **Greater-than-local interest:** Carmel Valley is a popular destination for people living within the Monterey Bay region, as well as for travelers from elsewhere in the United States and throughout the world. The Carmel River Parkway will join together several regional

destinations including Carmel State Beach, Point Lobos State Reserve, PCRCP, Garland Ranch Regional Park, and Jack's Peak County Park.

**Additional Criteria**

7. **Urgency:** The Howe property is currently on the market and would likely be more intensively developed if sold. The owner would prefer to sell to BSLT, but must sell the property within the next few months to finance their acquisition of a new home.
8. **Resolution of more than one issue:** In addition to providing critical elements of the river parkway trail, the proposed acquisitions would also provide a staging area with parking for access to PCRCP. Lack of access with parking to PCRCP has been one of the most significant constraints on its use by the public. The project will also protect the Quail property from further development on the floodplain.
9. **Leverage:** See the "Project Financing" section above.
10. **Readiness:** BSLT is finalizing negotiations for both properties. Once they have financing in place, they will be ready to close the acquisitions.
11. **Realization of prior Conservancy goals:** Acquisition of the Howe property would provide a staging area with parking for access to Palo Corona Regional Park. Developing parking options for Palo Corona has been a high priority for the Conservancy since the property was acquired in 2004.
12. **Return to Conservancy:** See the "Project Financing" section above.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The Carmel Area Land Use Plan is the adopted Local Coastal Program (LCP) for this portion of Monterey County. Policy 5.3 states that public access shall be protected and provided where consistent with public safety needs and the need to protect the rights of private property owners and natural resource areas from overuse. Policy 5.3.3(3d) further specifies that "the water quality of Carmel River... should be protected by siting and designing improvements to public access areas in a manner compatible with these sensitive resources." Public safety, resource protection, and respect of private property owners are all key elements in the design of the Carmel River parkway. The proposed properties are being acquired from willing sellers and BSLT has discussed the parkway trail plan with neighboring landowners.

Policy 2.3 states that environmentally sensitive habitats shall be protected, maintained and, where possible, enhanced and restored. The parkway vision includes preservation and restoration of the aquatic and riparian resources of the Carmel River. The proposed acquisitions are consistent with this vision.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/  
STATE WATER QUALITY CONTROL PLAN:**

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with the following if available and relevant: Integrated Watershed Management Programs (IWMP); local watershed management plans; and with water quality



control plans, adopted by the state and regional water boards. A draft of the Monterey Peninsula IWMP was recently completed and includes the Carmel River. Implementation of the Carmel River Parkway is recommended as one of the priority projects for implementation. The Water Quality Control Plan for the Central Coastal Basin adopted by the Regional Water Quality Control Board designates several beneficial use objectives for the Carmel River. The preservation and restoration activities that are included in the vision for the Carmel River Parkway will facilitate the restoration of fish and wildlife habitat thereby furthering the following designated beneficial uses for the Carmel River: cold fresh water habitat, wildlife habitat; rare, threatened or endangered species; migration of aquatic organisms; and spawning habitat. The parkway will also facilitate use of the river for non-contact recreation, another of the beneficial uses designated for the Carmel River.

In 2004, the Carmel River Watershed Conservancy adopted an Assessment and Action Plan for the Carmel River. The Action Plan called for creating a plan based on input of local residents, land owners and recreational group representatives for managed public access that considers local concerns for appropriate use and other issues related to parking, and access for seniors and the handicapped. The Carmel River Parkway Vision Plan fulfills this objective and is therefore consistent with the Action Plan.

**COMPLIANCE WITH CEQA:**

Acquisition of the Howe and Quail parcels is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15313, 15325, , 14 Cal. Code of Regulations (CCR). Section 15313 exempts acquisition of lands for fish and wildlife conservation purposes including 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 pursuant to Sections 15325 because it is an acquisition of land to preserve the existing natural conditions, to prevent encroachment of development into flood plains and for open space and park purposes. Upon Conservancy approval of the proposed authorization, staff will file a Notice of Exemption for the project.