

COASTAL CONSERVANCY

Staff Recommendation

January 18, 2007

LAGUNA COAST ACQUISITIONS

Jaysu Property

File No. 06-106

Project Manager: Deborah Ruddock

RECOMMENDED ACTION: Authorization to disburse to the City of Laguna Beach up to \$1,302,000 for the acquisition of the 27.92-acre Jaysu property adjacent to the Laguna Coast Wilderness Park (LCWP) for open space, public access, and habitat preservation.

LOCATION: City of Laguna Beach, County of Orange

PROGRAM CATEGORY: Public Access

EXHIBITS

Exhibit 1: Project Location

Exhibit 2: Site Map and Photos

Exhibit 3: Map of Laguna Coast Wilderness Park acquisitions

Exhibit 4: Letter of Commitment from the County of Orange

Exhibit 5: Letters of Support

RESOLUTION AND FINDINGS:

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

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one million, three hundred two thousand dollars (\$1,302,000) to the City of Laguna Beach (“City”) as follows: (1) up to one million three hundred thousand dollars (\$1,300,000) for the acquisition of a property adjacent to Laguna Coast Wilderness Park (“LCWP”) commonly known as the Jaysu property, County of Orange Assessors Parcel Nos. 632-031-04, 632-041-03, 632-061-18, and up to two thousand dollars (\$2,000) to cover estimated closing costs for the transaction. This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition of the property, the City shall submit for the review and approval of the Executive Officer of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents, including without limitation, an appraisal, purchase agreement, escrow instructions, environmental assessment, and title report.
 - b. Evidence that sufficient funds are available to complete the acquisition.
 - c. Evidence of commitment by the County of Orange to manage the property as part of the Laguna Coast Wilderness Park for public access and for wildlife habitat.
2. The City shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
3. The City shall permanently dedicate the property for open space, public access and habitat preservation, through an appropriate instrument approved by the Executive Officer.
4. The City shall acknowledge Conservancy and Proposition 12 funding by erecting and maintaining signs on the property, the design and location of which have been 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 Chapter 9 of Division 21 of the Public Resources Code (Sections 31400-31409) with respect to public access. The proposed acquisition will connect important coastal watershed and scenic areas in Laguna Coast Wilderness Park, part of a 20,000-acre regional wilderness park and preserves system.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 21, 2001.
3. The proposed project would serve a greater-than-local need.”

PROJECT SUMMARY:

Proposition 12 (the “Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000”) allocated \$12,500,000 to the Conservancy to undertake projects for the South Coast Wilderness (SCW) system of coastal canyons and watersheds in south Orange County (Exhibit 1(b)), including, but not limited to, properties adjacent to Laguna Coast Wilderness Park (LCWP). Under the proposed authorizations, a portion of these funds would be granted to the City of Laguna Beach to (1) acquire the 27.92 acre Jaysu Property (Exhibit 2) at a price of \$1,300,000, and (2) pay estimated closing costs of up to \$2,000 for the transaction.

The Jaysu property is located in the coastal zone in the Laguna Canyon Creek watershed, a coastal watershed, and lies immediately adjacent to LCWP. In conjunction with recent and anticipated acquisitions of land adjacent to the LCWP (Exhibit 3), purchase of the Jaysu property and management of the property as part of the LCWP will facilitate continuous public access for

residents and visitors to and along the coast by virtue of the LCWP's public trail connections to the larger 19,000-acre South Coast Wilderness system of marine preserves, wilderness parks and open space.

Importantly, the property is currently under threat of development as an estate residence. Due to the property's location adjacent to LCWP and to recent Proposition 12 acquisitions (Exhibit 3), any development of the property would significantly fragment public trail access, open space viewsheds, and sensitive coastal scrub habitat. The preservation of the Jaysu property is thus vital to conserving the public and ecological resources of the area.

Transaction Details

The Laguna Canyon Foundation (LCF) has negotiated a purchase agreement for the acquisition of the Jaysu property for a fair market value of \$1,300,000. Title to the property will vest in the City of Laguna Beach, which will purchase the property and pay closing costs using funds authorized for this purpose by the Conservancy. Following acquisition, the City intends to lease the property for a nominal amount to the County of Orange for management as part of LCWP. The County manages the 6,500-acre LCWP and has expressed its willingness to manage the additional property (Exhibit 4).

The Jaysu acquisition is part of a series of acquisitions intended to augment the South Coast Wilderness regional open space coastal sage habitat and trail system. As discussed below ("Realization of Prior Conservancy Goals"), the Conservancy has authorized a total of \$3,994,300 for the acquisition of approximately 100 acres in several separate projects. In addition, the Conservancy has authorized Proposition 12 funding to the Laguna Canyon Foundation for two projects including \$295,440 for the Nix Nature Center interpretive exhibit program and \$100,000 for pre-project expenses associated with Proposition 12 transactions. With the approval of the project that is the subject of the proposed authorization approximately \$6.1 million of Proposition 12 funding appropriated to the Conservancy would remain available for projects. Project proponents expect to seek Proposition 12 funding in March 2007 to acquire two additional properties that are contiguous to the previous acquisitions (Exhibit 3) and are adjacent to LCWP in the South Coast Wilderness system of parks and preserves.

Letters of support have been received from Laguna Greenbelt, Inc., Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange (Exhibit 5).

Site Description:

The Jaysu Property is located in the Laguna Canyon Creek watershed, a coastal watershed, adjacent to the Laguna Coast Wilderness Park (LCWP) (Exhibit 2). The West Ridge Trail runs along the eastern ridgeline border of the Jaysu property. The West Ridge Trail connects to a broader regional system, the South Coast Wilderness, whose trails provide recreational access for more than 600,000 residents of inland cities such as Laguna Hills, Newport Beach, Irvine, Laguna Woods, Aliso Viejo and Laguna Niguel. The trail features expansive coastal and wilderness views (Exhibit 2(b)).

The Jaysu Property is irregularly shaped and steeply sloped. It features essentially untouched chaparral and coastal sage scrub habitat. It features five major mapped watercourses.

Project History

The process of assembling a greenbelt for habitat and public access up and down the coast and inland from the City of Laguna Beach began more than 40 years ago. Most of the greenbelt, known broadly as the South Coast Wilderness, was once part of the Irvine Ranch. A number of tenacious citizen groups formed to prevent development, raise funds for acquisition, pass local initiatives and tax measures, and assist with management of property acquired. These groups include the Citizens’ Town Planning Association, Laguna Greenbelt Inc., Laguna Canyon Foundation, Laguna Canyon Conservancy, Village Laguna, and the Coastal Greenbelt Authority. Over the years, through development and purchase agreements, city, county, and state agencies have purchased other properties.

Proposition 12, (the “Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000”), as reappropriated to the Conservancy, allocated \$12,500,000 to the Coastal Conservancy to undertake projects for the South Coast Wilderness System of coastal canyons and watersheds in south Orange County, including, but not limited to, properties in Laguna Coast Wilderness Park and Aliso and Wood Canyons Wilderness Park. The Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange have been working together and with the public since bond passage to identify and prioritize acquisition opportunities. The 2001 City of Laguna Beach Open Space Report identified fee acquisition of the Jaysu property as a top priority because of its proximity to the Laguna Coast Wilderness Park and its value for public access, habitat, and visual resources. The Foundation has actively negotiated and pursued conservation acquisitions consistent with the Proposition 12 grant guidelines.

PROJECT FINANCING:

Jaysu land acquisition:

Coastal Conservancy:	
Jaysu Property	\$1,300,000
Closing costs	\$2,000
Total Project Cost	\$1,302,000

The expected source of Conservancy funds for the proposed project is a FY 2001/02, FY 2004/2005, FY 2006/2007 appropriation to the Conservancy of funds allocated for Laguna Coast Wilderness Park acquisitions in the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is consistent with the Conservancy’s enabling legislation, Division 21 of the Public Resources Code, specifically with Chapter 9 pertaining to public coastal access.

Under §31400, the Conservancy has a principal role in the implementation of a system of public access ways to and along the coast. The Conservancy’s funding of the Jaysu acquisition is consistent with Chapter 9 because of the opportunities for trail connectivity to the coastline and to the thousands of acres of wilderness in the South Coast Wilderness regional system of parks and preserves.

Under §31400.1, the Conservancy may award grants to any public agency to acquire land for public access purposes to and along the coast if the Conservancy has determined that the access way will serve more than local public needs. As discussed in the project summary and site description, the Jaysu property will not only provide coastal and wilderness access to local residents of Laguna Beach, but also to the more than 600,000 residents in the surrounding cities, which are connected to the properties through the South Coast Wilderness regional trail system.

Under §31400.2, the Conservancy may provide up to the total cost of the acquisition of interests in lands by a public agency, with the amount of funding determined by the total amount available for coastal access projects, the fiscal resources of the applicant, and the urgency of the project relative to other eligible projects. Consistent with this section, the amount of proposed Conservancy funding has been determined with an understanding of the estimated costs of acquiring additional properties for inclusion in the LCWP; the total amount available (approximately \$7.4 million) from the Proposition 12 allocation for Park acquisitions, the readiness of the seller relative to owners of other priority properties, and the financial limitations of the grantee.

Under §31400.3, the Conservancy may provide such assistance as is required to aid public agencies and nonprofit organizations in establishing a system of public coastal access ways, and related functions necessary to meet the objectives of Division 21. Consistent with this section, the City of Laguna Beach and Laguna Canyon Foundation will use authorized funds to acquire a property necessary for the protection and enhancement of key trail links in a coastal wilderness park system.

Consistent with §31409, the proposed authorization for land acquisition will assist the City of Laguna Beach in expanding an inland trail system that will link to the California Coastal Trail.

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

Consistent with **Goal 2, Objective A** of the Conservancy's Strategic Plan, the proposed acquisition in fee will protect open space, outstanding visual resources, and existing access ways. The Jaysu property features accessways that link to the broader South Coast Wilderness regional system of parks and preserves trail system serving multiple communities from Newport Beach to Dana Point.

Consistent with **Goal 4, Objective A**, acquisition of the Jaysu property will help protect a significant wildlife corridor, and will preserve scenic vistas and open space in an urban county with a population of more than 3 million.

Consistent with **Goal 5, Objective A**, the proposed project will result in the acquisition in fee of approximately 28 acres of high quality coastal sage scrub, chaparral, toyon, and rare riparian habitat.

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:** Laguna Greenbelt, Inc., Laguna Canyon Conservancy, Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange support the project. See Letters of Support from the public agencies and nonprofit organizations (Exhibit 5).
4. **Location:** The proposed project would be located within the coastal zone of the City of Laguna Beach.
5. **Need:** The City of Laguna Beach has limited general fund monies available and is unable to acquire the properties without funds provided by the Conservancy. Absent the proposed acquisitions, the current property owners could pursue limited residential development consistent with the zoning. The development would then fragment the surrounding wilderness parkland.
6. **Greater-than-local interest:** As discussed in various sections above, the Jaysu property features links to the broader South Coast Wilderness regional system of parks and preserves trail system serving multiple communities from south of Newport Beach to Dana Point.

Additional Criteria

13. **Realization of prior Conservancy goals:** The Coastal Conservancy has long assisted with planning and restoration in the area of southern Orange County known as the South Coast Wilderness (Exhibit 1(b)). In the late 1970s, the Conservancy helped design the Aliso Greenbelt. Later, the Conservancy provided funding for restoration of habitat in the Laguna Lakes, Orange County's only natural freshwater lakes in what is now known as the Laguna Coast Wilderness Park (LCWP). In 2002, the Coastal Conservancy worked with State Parks on disposition of the cottages at Crystal Cove. Along the Laguna coast, the Conservancy has assisted with many beach access projects.

Proposition 12 allocated funds to the Conservancy to acquire property in this region. In May 2002, the Conservancy provided \$2,435,000 to the City of Laguna Woods to acquire the 10.6-acre Rossmoor parcel adjacent to the Laguna Coast Wilderness Park north of Laguna Canyon Road; the City acquired the property in 2003 for inclusion in the LCWP. The Conservancy also allocated \$800,000 in March 2004 to acquire the Trinity and Wainwright properties, totaling 70 acres of crucial habitat and coastal and wilderness trails, and in March 2006 the Conservancy allocated an additional \$171,300 for the preservation of the Decker/Bossard property and another \$ 590,000 for the acquisition of the 10 acre Haun property. See also the "Project Summary" section and Exhibit 3 for additional details and context.

CONSISTENCY WITH THE COASTAL ACT:

The proposed project is consistent with the following specific policy of the Coastal Act, Public Resources Code Sections 30000 *et seq.*:

The Jaysu Property is located in the coastal zone. Section 30210 states that “maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with the public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.” Public acquisition of the Jaysu Property and management according to the County’s General Development Plan for the Laguna Coast Wilderness Park will preserve existing regional trail connections and passive recreational opportunities in a manner with the Plan’s intent to keep the LCWP in a natural condition. Also, the proposed authorization requires the City of Laguna Beach to install signage directing the public to the property.

§30500(a) mandates that “each local government lying, in whole or in part, within the coastal zone shall prepare a local coastal program for that portion of the coastal zone within its jurisdiction.” Consistent with this section, the City of Laguna Beach has a certified Local Coastal Program (LCP), and the proposed project is consistent with this program (City of Laguna Beach Municipal Code Title 25, Section 25.07/002), in that the project will provide permanent protection for natural and scenic coastal resources.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES

The proposed project is consistent with the City of Laguna Beach’s General Plan/Local Coastal Program (“GP/LCP”).

Topic 5 Parks, Policy 5B of the GP/LCP Open Space/Conservation (OS/C) Element calls for the City to support recreational use of open space lands, where environmentally feasible, with recreational access limited to passive activities such as nature trails and wildlife observation areas.

Topic 6 Trails of the OS/C Element discusses the need to establish a network of trails throughout the City interconnecting with proposed and existing trails within the regional wilderness park system. Policy 6C calls for the City to pursue funding for the acquisition, development, operation and maintenance of a local trail system. Policy 6L calls for the City to provide public pedestrian access to Open Space/Recreation areas, except where it is inconsistent with public safety or protection of fragile coastal resources. Policy 6M calls for the trail network in hillside areas to be oriented to hiking or passive pedestrian recreational use.

Topic 7 Visual Resources discusses preservation of the City’s natural open space on the basis of its scenic quality as an issue of special importance to the community. Policy 7I calls for public acquisition and management of notable geologic features and vista sites.

Topic 8 Vegetation and Wildlife Resources Policy 8A calls for preservation of coastal canyon wilderness throughout the City; the Jaysu property is part of a coastal canyons system. Policy 8M calls for preservation of a continuous open space corridor within the hillsides in order to maintain animal migration opportunities.

COMPLIANCE WITH CEQA:

The proposed acquisition is exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations §15325 in that it constitutes a transfer of ownership to preserve open space and habitat. The project is also exempt under §15316, which exempts conveyances to establish a park where the land is in a natural condition and the management plan has not been prepared, or calls for retaining the land in a natural condition. Here, the acquisition is intended as part of the Laguna Coast Wilderness Park, and the County's General Development Plan for the Park proposes to keep the area in a natural condition.