

COASTAL CONSERVANCY

Staff Recommendation
September 25, 2008

LAGUNA COAST ACQUISITIONS
Bunn Property

File No. 08-089

Project Manager: Deborah Ruddock

RECOMMENDED ACTION: Authorization to disburse up to \$679,000 to the City of Laguna Beach for acquisition of the 4.5 acre Bunn 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 and Property Photos](#)
 - Exhibit 2: [South Coast Wilderness](#)
 - Exhibit 3: [County Letter](#)
 - Exhibit 4: [Project Letters](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31400-31410 of the Public Resources Code, regarding public access to the coast:

“The State Coastal Conservancy hereby authorizes the disbursement of six hundred seventy five thousand dollars (\$675,000) to the City of Laguna Beach (“City”) for acquisition in fee of the 4.5 acre Bunn property, County of Orange Assessors Parcel Nos. 641-411-12 and -13; and up to \$4,000 for estimated closing costs for the transaction, 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 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 on the property signs, 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 31400-31410) with respect to public access. The proposed acquisition will connect important coastal watershed and scenic areas in the Laguna Coast Wilderness Park area.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on September 20, 2007.
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 that expand the Laguna Coast Wilderness Park (LCWP) in Orange County (Exhibit 1). Under the proposed authorization, funds totaling \$679,000 would be granted to the City of Laguna Beach to acquire the 4.5 acre Bunn Property located adjacent to the LCWP (Exhibit 1), and for related costs.

The Bunn property offers significant public access and resource values. Located in the coastal zone of the City of Laguna Beach approximately one mile from ocean beaches, the property is accessible from a major coastal access route (Laguna Canyon Road) and connecting public streets. It features two significant trails with expansive views of the Laguna Coast Wilderness Park and high-value coastal sage scrub habitat.

The Bunn property is contiguous with several other recent Laguna Coast acquisitions and to the wilderness park. The agencies and the Laguna Canyon Foundation prioritized acquisition of this property along with the eight recently acquired properties to complete trail access to and along the coast as part of the broader regional trail network that provides 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. Known as the South Coast Wilderness (SCW), this

20,000-acre urban oasis includes LCWP, the Aliso and Wood Canyons Wilderness Park (AWCP), and Crystal Cove State Park (Exhibit 2).

Importantly, the property is under threat of development as an estate residence and features a building site and legal access amidst sensitive habitat and vital public trails. Due to the property's location adjacent to LCWP and to recent Proposition 12 acquisitions (Exhibit 2), any development of the property would fragment public trail access, open space viewsheds, and sensitive coastal scrub habitat. The preservation of the Bunn property is thus vital to conserving the public and ecological resources of the area.

Transaction Details

The Laguna Canyon Foundation has negotiated a purchase price of \$675,000 for the Bunn property consistent with the full market value of the property identified in a preliminary appraisal. Estimated closing costs are \$4,000. Upon completion of the full appraisal and environmental assessment, the Laguna Canyon Foundation and the property owner will enter into a contract for purchase of the property. Title to the property will vest in the City of Laguna Beach. 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 3).

As discussed below ("Realization of Prior Conservancy Goals"), the Conservancy to date has authorized about \$8 million in grants to the City to purchase several properties adjacent to LCWP totaling 238 acres. In addition, the Conservancy has authorized Proposition 12 funding to the Laguna Canyon Foundation for three projects including \$295,440 for the Nix Nature Center interpretive exhibit program and two grants totaling \$220,000 for pre-project expenses associated with Proposition 12 transactions. Approval of the proposed authorization of \$679,000 will enable the City to purchase an additional 4.5 acres adjacent to LCWP.

Letters of support have been received from the County of Orange (Exhibit 3), the City of Laguna Beach, Laguna Greenbelt, Inc. and the Laguna Canyon Conservancy (Exhibit 4).

Site Description: The Bunn property is located in the coastal zone in the City of Laguna Beach approximately one mile from ocean beaches in the Laguna Canyon Creek watershed, a coastal watershed. The property features a trail that winds upward and westward from Canyon Acres Road, a residential connector street, to a ridgeline that provides expansive views of the neighboring Laguna Coast Wilderness Park. A second trail extends along a smaller ridgeline with excellent canyon views. Canyon Acres Road connects to Laguna Canyon Road, a major east-west route from Interstate 5 to Pacific Coast Highway and ocean beaches. The property also features abundant undisturbed coastal sage scrub habitat.

The Bunn property is surrounded by existing parkland and several privately-owned, undeveloped properties. Together these properties comprise a southward continuum of the greenbelt that includes the eight other nearby properties acquired with Conservancy assistance for inclusion in the LCWP.

The property is steeply sloped in certain areas, but features a flat building site which previously was developed as a single family residence before burning down in the 1993 fires. Featuring direct street access and certified as a legal building site within the City, the property would likely be developed if it were not acquired for preservation.

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 limit 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., the Laguna Canyon Foundation, The Conservation Fund, 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.

The Legislature has appropriated the designated \$12,500,000 from Proposition 12 (the "Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000") 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 adjacent to Laguna Coast Wilderness Park (LCWP). Since bond passage, the Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange have been working together and with the Conservancy, the public, and other major conservation organizations to identify and prioritize acquisition opportunities. The Conservancy has funded the following acquisitions:

- Rossmoor Property (10.6 acres): Completed in 2003 with grant funds totaling \$2,435,000.
- Trinity and Wainwright Properties (70 acres total): Completed in December 2004 with grant funds totaling \$800,000.
- Decker/Bossard Property (11.42 acres): Completed in September 2006 with grant funds of \$171,300.
- Haun Property (9.4 acres): Completed in December 2006 for \$590,000.
- Jaysu Property (27.9 acres): Completed in March, 2007 for \$1,302,000.
- Stonefield Property (50 acres): Completed in July, 2007 for \$952,500.
- Chao Property (58 acres): Completed in November, 2007 for \$1,501,200.
- SBD Property (10.38 acres): Currently in Escrow for \$175,000.

Since the passage of Proposition 12, the Conservancy has authorized approximately \$8 million to help acquire more than 238 acres.

PROJECT FINANCING:

Coastal Conservancy:

Bunn Property	\$ 675,000
Closing Costs	<u>4,000</u>

Total Project Cost **\$ 679,000**

The expected source of Conservancy funds for the proposed project is a FY 2006/2007 appropriation to the Conservancy of funds appropriated in accordance with the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12) for 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. Consistent with the purpose of that appropriation, the proposed project would fund acquisition of a property to be managed as part of the Laguna Coastal Wilderness Park.

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 accessways to and along the coast. The Conservancy's funding of the Bunn 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, purchase of and permanent protection of the Bunn 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 land 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 for the Bunn property acquisition has been determined with an understanding of the estimated costs of acquiring additional properties for inclusion in the LCWP; the total amount available (approximately \$3.5 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 the the 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 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 1, Objective 1G** of the Conservancy's 2007 Strategic Plan, the proposed

authorization will enable the City of Laguna Beach to secure a real property interest that will assist in expanding an inland trail system that will link to the California Coastal Trail.

Consistent with **Goal 4, Objective 4A**, the proposed authorization will enable the City to protect a significant coastal and watershed resource property.

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

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, 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, the Laguna Canyon Foundation, the City of Laguna Beach, and the County of Orange support the project. See letters of support from the County of Orange, Laguna Canyon Conservancy, City of Laguna Beach and Laguna Greenbelt, Inc. (Exhibits 3 and 4).
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 is unable to acquire the property without funds provided by the Conservancy. Absent the proposed acquisitions, the current property owner 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, acquisition of the Bunn property will facilitate links to the broader South Coast Wilderness regional system of parks, preserves and trails 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 2). 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, passed by the voters in 2000, allocated \$12,500,000 to the Conservancy to

acquire property in this region. As discussed above, the Conservancy has authorized approximately \$8 million in grants to help acquire property in this area.

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 Bunn property is located in the coastal zone. Section 30210 of the Public Resources Code states that “maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with 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 Bunn property and management according to the County’s General Development Plan for the Laguna Coast Wilderness Park will preserve two existing trails and provide connections to a regional trail system 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 properties.

Public Resources Code Section 30500(a) mandates that “[e]ach 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 acquisition is consistent with this program (City of Laguna Beach Municipal Code Title 25, Section 25.07/002), in that the purchase of the property 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. Acquisition of the Bunn property will permit preservation of the property for open space and will preserve two existing trails used for passive recreational opportunities.

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. With Conservancy assistance, City ownership of the hillside Bunn property and management of the property according to the County’s General Development Plan for the Laguna Coast Wilderness Park will preserve two existing local pedestrian trails and allow for regional trail connections and

passive recreational opportunities in a manner consistent with the Plan's intent to keep the LCWP in a natural condition.

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. The Bunn property features two ridgeline trails with expansive views of the ocean and the Laguna Coast Wilderness Park (LCWP).

Topic 8, Vegetation and Wildlife Resources, Policy 8A calls for preservation of coastal canyon wilderness throughout the City. The Bunn property is part of a coastal canyons system with high-value coastal sage scrub habitat.

COMPLIANCE WITH CEQA:

The proposed project is exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations §15325 in that the acquisitions constitute a transfer of ownership to preserve open space and habitat. The project also is 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. Staff will file a Notice of Exemption upon approval of the action.