

COASTAL CONSERVANCY

Staff Recommendation

December 11, 2003

NCCP PROGRAM IMPLEMENTATION: OTAY RIVER WATERSHED PROPERTIES

File No. 03-137

Project Manager: Marc Beyeler

RECOMMENDED ACTION: Authorization to disburse up to \$13,826,298 to the Department of Fish and Game to acquire properties within the Otay River watershed in order to implement the San Diego Multiple Species Conservation Plan (MSCP), as part of the state's Natural Communities Conservation Planning (NCCP) Program.

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

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Regional Map

Exhibits 2A and 2B: Property Location

Exhibit 3: MSCP Preserve

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 thirteen million eight hundred twenty-six thousand two hundred ninety-eight dollars (\$13,826,298) to the Department of Fish and Game, for the acquisition of the Otay Lakes and Rancho Jamul properties, as described in Exhibits 2A and 2B of the accompanying staff recommendation, to implement the City of San Diego's Multiple Species Conservation Program (MSCP), subject to the following conditions:

1. Prior to the disbursement of any funds for the acquisition of each property, the Conservancy's 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 Department 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. All funds disbursed pursuant to this authorization shall be derived from the Wildlife Conservation Board's grant to the Conservancy for Natural Communities Conservation Planning (NCCP) acquisitions.
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 Conservancy's 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 acquisitions are consistent with and will help to carry out 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."

PROJECT SUMMARY:

Conservancy staff is recommending Conservancy authorization to disburse up to \$13,826,298 to acquire habitat properties in the Otay River watershed to implement the state's NCCP Program, with funds provided by a Wildlife Conservation Board (WCB) grant to the Conservancy for this purpose. Conservancy staff has worked closely with the WCB, the California Department of Fish and Game, the Resources Agency, the County of San Diego, various local cities, and local community organizations, to identify key properties for acquisition and to assemble appropriate funds to implement this program.

Two adjacent projects are recommended for funding in this authorization: (1) acquisition of approximately 730 acres south of Otay Lakes Road, south and east of Lower Otay Reservoir; and (2) acquisition of approximately 560 acres along Otay Lakes Road, north and east of the Lower Otay Reservoir, to be added to the Rancho Jamul Ecological Reserve managed by the California Department of Fish and Game.

These properties will connect current holdings by the Department of Fish and Game and are adjacent to protected lands within the Otay-Sweetwater national wildlife refuge. The properties are part of important core habitat areas and core linkage areas for the Multiple Species Conservation Plan (MSCP), an important component of the state's NCCP program.

Acquisition of the subject properties 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 Sweetwater, 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.

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 water-

sheds, 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, began 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 has since that time worked in cooperation with public agencies and nonprofit organizations to facilitate 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 entered into an Interagency Agreement (IAA) in a cooperative effort to facilitate the acquisition of real properties as part of the state's NCCP Program, whereby the WCB granted approximately \$36 million to the Coastal Conservancy.

All property acquired pursuant to the IAA 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 for 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 the Otay River watershed. The City of San Diego is the lead agency in establishing the 172,000-acre MSCP preserve in southwestern San Diego County (Exhibit 3).

The Otay River watershed is an important part of the region's MSCP. The portion of the river watershed which contains the subject properties to be acquired as part of this staff recommendation are within the Core Biological Areas and Corridors of the MSCP. The Otay River has been designed at River Parkways and has active planning and implementation efforts currently ongoing for open space and habitat preservation as well as public access and public recreation.

Acquisition of lands in the Otay River watershed is important because it preserves area of high and very high quality habitat. Both of the properties 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 the Otay River watershed. Since 1990 the Conservancy has been a partner and funder in establishing a River Parkway in the Otay River watershed.

Currently, the Coastal Conservancy is a project partner, and/or project funder, in several important coastal resource protection projects in the watershed, 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:

Otay Lakes	\$ 7,376,298
Rancho Jamul Ecological Reserve	<u>6,450,000</u>
Total Conservancy Funding:	\$13,826,298

Funding would be derived from a grant provided to the Conservancy by the Wildlife Conservation Board for NCCP acquisitions from Safe Neighborhood, Clean Water, Clean Air and Coastal Protection Bond Act of 2000 (Proposition 12) and specifically earmarked for the acquisition of real property subject to a natural community conservation plan approved by the Department of Fish and Game. No new Conservancy funds are being requested as part of the proposed authorization. In addition, for the Otay Lakes projects, other funds will contribute to the total purchase price including \$8,200,000 from the United States Fish and Wildlife Service and \$3,923,702 from Caltrans. Acquisition of coastal draining watershed lands in the Otay River watershed to protect coastal natural resources and implement the state’s NCCP is consistent with the anticipated funding source.

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. Loss of upstream habitat in the watershed will adversely affect water quality and aquatic ecosystem health within coastal areas of the larger watershed.

The City and County of San Diego and other affected jurisdictions have developed the MSCP to protect natural habitats and species along the eastern edge of metropolitan San Diego and through the major river valleys and canyons leading westward to the coast, including the Otay River Valley and others. Acquisition of the Otay watershed properties 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 habi-

tats 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.
4. **Location:** Located in the upper portion of a priority coastal watershed, 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.
5. **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

6. **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.
7. **Leverage:** See the "Project Financing" section above.
8. **Realization of prior Conservancy goals:** See the "Project History" section above.
9. **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 projects are 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 Notices of Exemption upon approval of the project.