
EXHIBIT 2

COASTAL CONSERVANCY

Project Summary
June 25, 2001

SAN ELIJO LAGOON ACQUISITION PROGRAM

File No. 01-091
Project Manager: Trish Chapman

RECOMMENDED ACTION: Authorization to disburse up to \$2,000,000 to the San Elijo Lagoon Conservancy to acquire properties for inclusion in the San Elijo Ecological Reserve, consistent with the San Elijo Lagoon Enhancement Plan and Action Plan.

LOCATION: San Elijo Lagoon, San Diego County (Exhibit 1)

PROGRAM CATEGORY: Enhancement

ESTIMATED COST:	Coastal Conservancy (SCWRP funds)	\$2,000,000
	San Elijo Lagoon Conservancy	200,000
	County of San Diego	<u>800,000</u>
	Total Project Cost	\$3,000,000

PROJECT SUMMARY: The San Elijo Lagoon Conservancy (SELC), on behalf of SELC and the County of San Diego, is requesting funding from the Coastal Conservancy to acquire sensitive habitat lands adjacent to the existing San Elijo Lagoon Ecological Reserve. Under the proposed program, SELC in partnership with the County of San Diego would acquire properties that have been identified as high priorities for inclusion in the Ecological Reserve, in order to protect and restore San Elijo Lagoon. Properties would only be acquired from willing sellers.

The acquisition program would help to implement the San Elijo Lagoon Enhancement Plan and Action Plan, approved by the Conservancy on May 27, 1999, which identify the need to protect and enhance the lagoon's ecosystem by preservation of surrounding wetland and upland habitat.

The acquisition program will provide habitat for endangered and sensitive species, help maintain the proper hydrological functioning of the lagoon, and provide a natural buffer to the wetland habitats. Properties acquired through the proposed acquisition program would be added to the San Elijo Lagoon

EXHIBIT 2: June 25, 2001 Staff Recommendation

Ecological Reserve, and would be owned and managed by either SELC or the County of San Diego, depending on the particular parcel.

The proposed project would be funded with monies appropriated to the Conservancy for the Southern California Wetlands Recovery Project (WRP) and is included in the Work Plan that was approved by the WRP Board of Governors at its May 2001 meeting.

As specific properties are identified for acquisition through discussion between the San Elijo Lagoon Conservancy and landowners, these acquisitions will be brought back to the Coastal Conservancy for final approval.

COASTAL CONSERVANCY

Project Summary
June 25, 2001

SAN ELIJO LAGOON ACQUISITION PROGRAM

File No. 01-091
Project Manager: Trish Chapman

STAFF

RECOMMENDATION: 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 two million dollars (\$2,000,000) to the San Elijo Lagoon Conservancy to acquire properties consistent with the San Elijo Lagoon Enhancement Plan and Action Plan, subject to the following conditions:

1. No Conservancy funds shall be disbursed for the acquisition of any proposed property until the Conservancy authorizes the acquisition;
2. Prior to the disbursement of any funds for acquisition, SELC shall submit for the review and approval of the Executive Officer of the Conservancy all relevant acquisition documents for the properties, including the appraisal, agreements of purchase and sale, escrow instructions and documents of title necessary to the acquisition of the property;
3. The properties acquired pursuant to this authorization shall be managed and operated in a manner consistent with the purposes of habitat protection and restoration and open space protection, as provided in the San Elijo Lagoon Area Enhancement Plan and San Elijo Lagoon Action Plan, and as those Plans may be amended from time to time;
4. SELC shall pay no more than fair market value for the properties acquired pursuant to this authorization as established in appraisals approved by the Executive Officer; and

EXHIBIT 2: June 25, 2001 Staff Recommendation

5. Conservancy funding shall be acknowledged by erecting and maintaining a sign(s) within the San Elijo Lagoon Reserve, the content and location(s) of which have been reviewed and approved by the Executive Officer of the Conservancy."

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 guidelines and criteria set forth in Chapter 6 of the Public Resources Code (Sections 31251-31270) regarding the enhancement of coastal resources;
2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy’s Project Selection Criteria and Guidelines adopted on January 24, 2001;
3. San Elijo Lagoon is identified in the City of Encinitas Local Coastal Plan as an environmentally sensitive habitat area which should be preserved and restored; and
4. SELC is a nonprofit organization existing under Section 501(c)(3) of the United States Internal Revenue Code, and having among its principal charitable purposes protecting, preserving and restoring the environment.”

STAFF DISCUSSION:

Project Description: The San Elijo Lagoon Conservancy (SELC), on behalf of SELC and the County of San Diego, is requesting funding from the Coastal Conservancy to acquire sensitive habitat lands adjacent to the San Elijo Lagoon Ecological Reserve. Under the proposed program, SELC in partnership with the County of San Diego would acquire properties that have been identified as high priorities for inclusion in the Ecological Reserve, in order to protect and restore San Elijo Lagoon. Properties would only be acquired from willing sellers.

The acquisition program would help to implement the San Elijo Lagoon Enhancement Plan and Action Plan, approved by the Conservancy on May 27, 1999, which identify the need to protect and enhance the lagoon’s ecosystem by preservation of surrounding wetland and upland habitat. The acquisition pro-

EXHIBIT 2: June 25, 2001 Staff Recommendation

gram would also be designed to implement the goals of the Escondido Creek Conceptual Area Protection Plan (CAPP), which was developed by the County of San Diego and the California Department of Fish and Game (CDFG).

The acquisition program will provide habitat for endangered and sensitive species, help maintain the proper hydrological functioning of the lagoon, and provide a natural buffer to the wetland habitats. Properties acquired through the proposed acquisition program would be added to the San Elijo Lagoon Ecological Reserve, and would be owned and managed by either SELC or the County of San Diego, depending on the particular parcel. Staff recommends authorization because the proposed acquisitions would protect significant coastal resources in the Reserve and would further the goals of the Enhancement and Action Plans.

Specific properties for acquisition from willing sellers have not yet been identified. Further action by the Conservancy will be needed to approve specific acquisitions.

Project Financing: The proposed project would be funded with monies appropriated to the Conservancy for the Southern California Wetlands Recovery Project (WRP) and is included in the Work Plan that was approved by the WRP Board of Governors at its May 2001 meeting.

Coastal Conservancy	\$2,000,000
San Elijo Lagoon Conservancy	200,000
County of San Diego	<u>800,000</u>
Total Project Cost	\$3,000,000

Site Description: San Elijo Lagoon is a coastal wetland located in San Diego County in the City of Encinitas, 20 miles north of the City of San Diego. The watershed draining into the lagoon is 77 square miles with two main tributaries, Escondido Creek and La Orilla Creek. Highway 101, the San Diego Northern Railway, and Interstate 5 divide the lagoon into three basins connected by narrow channels. The San Elijo Ecological Reserve includes approximately 900 acres and is owned by SELC, the County, and CDFG. The County of San Diego manages the entire reserve, working in partnership with the San Elijo Lagoon Conservancy and California Department of Fish and Game.

Vegetation communities in the west basin include salt marsh, coastal strand, and some mudflats. Salt marsh, mudflats, brackish marsh, riparian, San Diego coastal sage, and chaparral are found in the central basin; and the east basin has remnant salt

EXHIBIT 2: June 25, 2001 Staff Recommendation

marsh, brackish marsh, salt pan, freshwater marsh, riparian, and San Diego coastal sage. The basins exhibit varying salinity regimes, generally grading from the most saline in the west basin, to brackish in the central basin, to nearly fresh in the upper end of the east basin. The Lagoon is surrounded by commercial and residential uses.

Project History: In 1989 and 1991, the Coastal Conservancy provided funding to the County of San Diego for preparation of the San Elijo Lagoon Enhancement Plan. This plan was completed in 1996. This same year, the Coastal Conservancy awarded SELC a small, nonprofit grant to prepare an Action Plan for the lagoon. The Action Plan describes and prioritizes 25 projects aimed at achieving the goals of the Enhancement Plan. The Conservancy adopted the San Elijo Lagoon Enhancement Plan and Action in May 1999.

Over the past two years, SELC has begun implementing the projects outlined in the Action Plan. The Conservancy has provided funding for maintaining an open tidal connection at the lagoon, removing non-native invasive plant species, and assessing sediment within the lagoon. The Enhancement Plan and Action Plan identify acquisition of surrounding wetland and transitional properties as a key enhancement activity.

As part of lagoon planning efforts, CDFG and the County developed a Conceptual Area Protection Plan (CAPP) to acquire approximately 200 acres of wetland habitat that drains into San Elijo Ecological Reserve. The CAPP identifies specific parcels and acquisition priorities based on habitat values. The CAPP was adopted by CDFG in 1988 and amended once in 1991. In December 2000, the County requested a further amendment to the CAPP to add several additional properties.

In February 2001, SELC submitted a proposal to the Wetlands Recovery Project for the San Elijo Lagoon Acquisition Program. The County also submitted a proposal for acquisition of a specific parcel identified in the CAPP. The WRP combined these two proposals into a comprehensive acquisition program for the Lagoon focused on the highest priority properties identified in the CAPP. The acquisition program is included on the WRP Work Plan adopted by the Board of Governors on May 18, 2001. SELC will serve as the Conservancy's grantee for the project; however, both the County and SELC will work to implement the project.

PROJECT SUPPORT: The proposed project has been selected by the Wetlands Recovery Project, a partnership of 17 state and federal agencies,

for its 2000-2001 Work Plan. The County of San Diego will supply matching funds for the project.

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

The San Elijo Lagoon Acquisition Program would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270. Pursuant to Section 31251, the Conservancy may award grants to nonprofit organizations to enhance coastal resources. This project will enhance the biological and hydrological resources of San Elijo Lagoon by increasing the wetland and transitional buffer habitat adjacent to the lagoon.

**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

Promotion of Conservancy's statutory programs and purposes: See "Consistency with Conservancy's Enabling Legislation" above.

Consistency with the purposes of the funding source: As stated above, the project will be funded with monies appropriated to the Conservancy for the Wetlands Recovery Project. The proposed project has been identified as a priority by the WRP and is included on the WRP Work Plan.

Support: See "Project Support" above.

Location: The proposed project is located at San Elijo Lagoon, in the City of Encinitas, County of San Diego.

Need: The biological resources of San Elijo Lagoon have deteriorated significantly over the past several decades, primarily as a result of changes in land use and hydrological patterns. This project would provide habitat for sensitive species, help maintain hydrological functioning of the lagoon, and provide a natural buffer.

Greater than local interest: San Elijo Lagoon is one of the largest coastal wetlands in southern California and provides important habitat to endangered species and migratory birds. The proposed acquisitions will preserve and enhance the la-

goon's wetland ecosystem by providing additional wetland and upland buffer habitat.

Additional Criteria

Leverage: The Conservancy's funds will be leveraged by funding from the County and SELC. SELC has already received a \$1.4 million grant from the Ford Foundation for the Acquisition Program and is pursuing other funding options. The County will also contribute approximately \$800,000 to the project.

Realization of Prior Conservancy Goals: The Conservancy has been working for 12 years to restore and preserve the resources of San Elijo Lagoon. The proposed project would be another step towards achieving this goal.

**CONSISTENCY WITH
THE COASTAL ACT:**

This project is consistent with Section 30231 of the Coastal Act which states that the "biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored. . . ." The proposed project would protect and enhance wetland environments at San Elijo Lagoon, increasing habitat for fish and wildlife.

**CONSISTENCY WITH
LOCAL COASTAL
PROGRAM POLICIES:**

The City of Encinitas Local Coastal Program designates San Elijo Lagoon as an environmentally sensitive habitat and states that "The City will encourage the preservation and the function of San Elijo Lagoon...as viable wetlands, ecosystems and habitat for resident and migratory wildlife. . . ." The proposed acquisition program is consistent with this Local Coastal Program because it will preserve and enhance the lagoon's wetland ecosystem.

COMPLIANCE

WITH CEQA:

Land acquisition for the purpose of preserving the land in its natural condition and providing public access is categorically exempt from the California Environmental Quality Act, under 14 California Code of Regulations, Sections 15313 – Acquisition of land for wildlife conservation purposes. Upon approval, staff will file a Notice of Exemption for this project.