

COASTAL CONSERVANCY

Staff Recommendation
October 27, 2005

**RANCHO PALOS VERDES NCCP
NATURE PRESERVE ACQUISITION**

File No. 05-071
Project Manager: Deborah Ruddock

RECOMMENDED ACTION: Authorization to disburse up to \$1,550,000 to the City of Rancho Palos Verdes to acquire real property commonly known as “Portuguese Bend” and “Agua Amarga Canyon” properties to protect threatened and endangered coastal habitat on the Palos Verdes Peninsula in Los Angeles County, and to implement the Rancho Palos Verdes Natural Communities Conservation Planning (NCCP) Subarea Plan.

LOCATION: Rancho Palos Verdes, Los Angeles County

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: Project Location and Site Map
- Exhibit 2: NCCP (Introduction)
- Exhibit 3: Acquisition properties
- Exhibit 4: Nature Preserve properties
- Exhibit 5: Proposed trail network
- Exhibit 6: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one million five hundred and fifty thousand dollars (\$1,550,000) to the City of Rancho Palos Verdes (“the City”) for acquisition of two properties commonly known as the Portuguese Bend and Agua Amarga Canyon properties to protect threatened and endangered coastal habitat on the Palos Verdes Peninsula in Los Angeles County, (Assessor’s Parcels Nos. 7572-001-001, 002,

003, 004, 006, and 007; 7581-023-011; 7564-005-001 (Portugese Bend) and 7583-022-011, 7583-024-005 and 019; 7586-001-002 and 003 (Agua Amarga Canyon), consisting of approximately 424 and 39 acres, respectively, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition of the properties, 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 but not limited to, an appraisal, purchase agreement, escrow instructions, environmental assessment, and title report;
 - b. Evidence that the City has sufficient funds available to complete the acquisition;
 - c. Evidence of commitment by the Palos Verdes Peninsula Land Conservancy to manage the properties for public access and for wildlife habitat; and
 - d. A signing plan acknowledging the Conservancy’s funding assistance.
2. The City shall pay no more than fair market value for each property, as established in an appraisal approved by the Executive Officer.
3. The City shall permanently dedicate the properties for open space, public access, and habitat preservation, through an appropriate instrument approved by the Executive Officer.
4. The City shall acknowledge Conservancy funding by erecting and maintaining signs on the properties, the design and location of which has 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 6 of Division 21 of the California Public Resources Code (Sections 31251-31270) with respect to coastal resource enhancement;
2. The City, as the local public agency having jurisdiction over the project area, requests Conservancy assistance consistent with Public Resources Code Section 31251.2(a).
3. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 21, 2001, and
4. The proposed project would serve a greater-than-local need.”

PROJECT SUMMARY:

Staff recommends that the Conservancy disburse up to \$1,550,000 to the City of Rancho Palos Verdes (City) to assist with the purchase of approximately 463 acres on the southern slopes of the Palos Verdes Peninsula (Exhibit 1), in the City of Rancho Palos Verdes, to implement the Rancho Palos Verdes Natural Communities Conservation Planning (NCCP) Subarea Plan (Exhibit 2). The project consists of acquisition of two properties, commonly known as “Portuguese Bend” and “Agua Amarga Canyon” (Exhibit 3). Acquisition of both properties are considered critical for the long-term protection of coastal sage scrub habitat, important habitat that supports the federally listed threatened California gnatcatcher, as well as for the protection of adequate habitat linkages between patches of existing preserved coastal habitat.

The project will further joint State, local, and federal NCCP planning efforts to protect this important coastal habitat through inclusion of these and other publicly owned properties in the proposed Portuguese Bend Nature Preserve (Exhibit 4). The City would hold the land. After acquisition, the City would grant a conservation easement over the properties in favor of Palos Verdes Land Conservancy (PVLC), which would enter into an agreement with the City to manage the land. The conservation easement would identify the California Department of Fish and Game (DFG) and the U. S. Fish and Wildlife Service (FWS) as third party beneficiaries for enforcement purposes.

The City expects to adopt the Rancho Palos Verdes NCCP Subarea Plan, which spells out the ongoing level of preserve restoration and management, by the end of 2005. The City and PVLC will fund restoration and management through local budget line items.

The subject properties are held in common ownership. The largest property, Portuguese Bend, contains approximately 424 acres. Agua Amarga Canyon, contains approximately 39 acres. The City and the Seller anticipate that the two properties will be sold to the City at a bargain sale price.

The Wildlife Conservation Board (WCB) at its August 2005 meeting approved a grant of \$10,000,000 to the City to assist with direct acquisition costs and \$25,000 to cover pre-project expenses, including DGS’ appraisal review costs. The City will contribute \$387,000 of its own funds toward the purchase, and expects to make up the remaining acquisition funds from grants from PVLC, the Coastal Conservancy, Los Angeles County, and California State University Dominguez Hills (See “Project Financing” Section). PVLC met its funding pledge in September by raising \$4,000,000 from private donors.

Upon approval of the proposed NCCP Subarea Plan, the City will dedicate additional property to the preserve totaling 770 acres, including the Barkentine Canyon and Abalone Cove Park sites and the Forrestal Nature Preserve. (Exhibit 4).

In addition to assisting with the protection of important coastal habitat and habitat linkages, the proposed Conservancy authorization will enhance public access to and along the coast. Informal trails on the two properties will connect with trails on adjoining properties to become part of a

20-mile trail network that will be dedicated to public use within the Portuguese Bend Nature Preserve (Exhibit 5). Segments of this network are slated to become part of the Coastal Trail. The project enjoys widespread support (See Exhibit 6). The Conservancy received approximately 120 email messages from organizations and citizens supporting the project, a sample of which is included in Exhibit 6.

Site Description: The Palos Verdes Peninsula is a major coastal feature in the southwest corner of Los Angeles County in an area known as the South Bay (Exhibit 1). The peninsula extends from San Pedro on the south to the Cities of Redondo Beach and Torrance on the north. It encompasses approximately 17,000 acres. The topography of the peninsula rises abruptly approximately 100 to 200 feet above the beaches, resulting in a coastal bluff terrace. From the coastal bluffs, the upland terrace rises an additional 1,000 to 2,000 feet.

The Portuguese Bend property, the largest of the two parcels to be purchased by the City, contains approximately 424 acres and is located east and west of Crenshaw Boulevard, extending north from Palos Verdes Drive South. The site has level to mostly rolling to steeply sloping topography which affords many portions of the site excellent views of the coastline, Pacific Ocean and Catalina Island more than 30 miles away. The second property, “Agua Amarga Canyon”, contains approximately 39 acres and is located on the west side of Hawthorne Boulevard, north of Crest Road. The site is relatively narrow from north to south and has mostly steeply sloping topography.

The Portuguese Bend area, including the subject properties, contains prime coastal sage scrub habitat, an important resource since more than 90 percent of the original acres of this habitat type in Southern California have been destroyed by development. The area is home to the *Astragalus* plant, the host plant of the federally listed endangered Palos Verdes blue butterfly, and numerous wildlife, including the California gnatcatcher, a federally listed threatened species. Agua Amarga Canyon supports a large population of gnatcatchers.

Project History: Approximately 85% of Portuguese Bend property is located in a landslide zone that has been subject to a development moratorium since a 1956 landslide destroyed more than 100 homes, a pier and a clubhouse. The moratorium prohibits development unless property owners can prove that their properties in the moratorium area meet the City’s standards for land stability. Recognizing the significant biological resources in the Portuguese Bend area, and the potential for development in the future absent permanent protections, the City began working with the FWS and DFG to pursue an NCCP subarea plan that would provide for comprehensive conservation and management of multiple species.

The proposed Rancho Palos Verdes NCCP subarea plan calls for the city to assemble a nature preserve through acquisition of several key privately owned parcels, including the subject properties, and dedication of selected City-owned lands.

In the meantime, the property owner has submitted development proposals to the City for these properties. The Agua Amarga Canyon property, the smaller site, is located outside the moratorium area. Engineering experts hired by the property owner have concluded that at least a portion of the larger Portuguese Bend property could be made to meet the City’s stability

standards for development.

To further Rancho Palos Verdes NCCP planning efforts for habitat now threatened with development, the Wildlife Conservation Board (WCB) at its August 2005 meeting approved a grant of \$10,025,000 to the City to assist with purchase of the Portuguese Bend and Agua Amarga Canyon properties.

PROJECT FINANCING:

Coastal Conservancy	\$1,550,000
Wildlife Conservation Board	\$10,000,000
Palos Verdes Land Conservancy	\$4,000,000
County of Los Angeles	\$1,000,000
City of Rancho Palos Verdes	\$387,000
California State University Dominguez Hills	\$120,000
Total	\$17,057,000

The expected source of Conservancy funds for the proposed project is the “Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Act of 2002” (Proposition 40). Proposition 40 funds appropriated to the Conservancy may be used for the acquisition and restoration of land in a manner consistent with Division 21.

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 6 pertaining to coastal resource enhancement projects. Under Public Resources Code Section 31251, the Conservancy may award grants to public agencies to assemble parcels of land to improve resource management. The proposed project is consistent with this section because it will further joint State, local, and federal Natural Community Conservation Planning (NCCP) efforts to protect important coastal habitat on the Palos Verdes peninsula.

The lands that would be purchased by the city with Conservancy assistance are located outside of the coastal zone. However, the City will manage the properties as part of the Portuguese Bend Nature Preserve, which will include other city-owned properties located inside of the coastal zone. As the City will have jurisdiction over the entire preserve area, and as the city requests Conservancy assistance to undertake the acquisitions, the project is consistent with Public Resources Code Section 31251.2(a), regarding projects located partly inside and partly outside the coastal zone.

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

Consistent with **Public Access Goal 2, Objectives A and B** of the Conservancy's Strategic Plan,

the proposed project will enhance public access to and along the coast. Informal trails on the two properties will connect with trails on adjoining properties to become part of a 20-mile trail network that will be dedicated to public use within the Portuguese Bend Nature Preserve. Segments of this network are slated to become part of the Coastal Trail.

Consistent with **Coastal Resources Conservation Goal 4, Objective A**, the proposed project will further joint federal, State, and local Natural Community Conservation Planning (NCCP) efforts to protect important coastal habitat through inclusion of these and other publicly owned properties in the proposed Portuguese Bend Nature Preserve.

Consistent with **Coastal Resources Conservation Goal 5, Objective A**, the project will facilitate the long-term protection of coastal sage scrub habitat, important habitat that supports the federally listed threatened California gnatcatcher, as well as the protection of adequate habitat linkages between patches of existing preserved coastal 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:** Proposition 40 funds appropriated to the Conservancy may be used for the acquisition of land for any purpose consistent with Division 21. The proposed project will assist with the acquisition of property considered essential to the protection of coastal habitat on the Palos Verdes peninsula consistent with Division 21, Chapter 6, Coastal Resource Enhancement.
3. **Support of the public:** The project enjoys widespread support (See Exhibit 6). The Conservancy received approximately 120 email messages from organizations and citizens supporting the project, a sample of which is included in Exhibit 6.
4. **Location:** The project area is located outside of the Coastal Zone. However, the proposed acquisition will lead to creation of the Portuguese Bend Nature Preserve, which will include numerous parcels that are located within the Coastal Zone (Exhibit 4). These parcels include Shoreline Park, which includes a coastal access trail and a trail that in the future will form part of the Coastal Trail; Ocean Trails Open Space, which includes a lateral trail which will become part of the Coastal Trail; and the Forrestal Preserve, for which a network of trails is planned that will provide shore access and that will connect to Portuguese Bend and Ocean Trails parcels (Exhibit 5). Additionally, all of the streams in this area drain into the Pacific Ocean, and the habitat provides home for numerous special status species that are specific to the Coastal Zone.

5. **Need:** Conservancy funding is necessary to close the City's funding shortfall.
6. **Greater-than-local interest:** The proposed project will lead to creation of the Portuguese Bend Nature Preserve, which currently is the subject of state-level planning efforts (NCCP) to protect important coastal habitats and special status species. Many of the proposed preserve's parcels currently provide regional recreation opportunities for Los Angeles County residents, including Shoreline Park, Forrestal Preserve, Abalone Cove Shoreline Park, the Point Vicente Interpretive Center, and the Fishing Access. These properties have trails that provide access to and along the coast, including planned extensions of the Coastal Trail (See "Location" section above).

Additional Criteria

7. **Urgency:** At this time, the property owner has an active development application.
8. **Resolution of more than one issue:** The proposed project will assist with habitat protection and increase public coastal access opportunities.
9. **Leverage:** A Conservancy grant of \$1,550,000 will leverage \$15,507,000 in funding from other sources.
12. **Readiness:** The City has received commitments for the entire amount of funding to conclude the project. Close of escrow is scheduled for December 29, 2005. The City has received commitments for the entire amount of funding to conclude the project. Close of escrow is scheduled for December 29, 2005.
13. **Realization of Prior Conservancy Goals:** The proposed project would be the second Palos Verdes NCCP acquisition enabled by Conservancy funding. On March 27, 1997, the Conservancy authorized a grant of \$400,000 to the Wildlife Conservation Board toward the acquisition of the 163-acre Klondike Canyon property, which was completed the same year.

COMPLIANCE WITH CEQA:

The proposed acquisition is exempt from the California Environmental Quality Act under Section 15313, Class 13, as the property is being purchased for fish and wildlife conservation purposes, and under Section 15325, Class 25, as the transfer of an ownership interest in land to preserve open space. Upon approval of the project, staff will file a Notice of Exemption (NOE).

Rancho Palos Verdes Natural Communities Conservation Planning