

COASTAL CONSERVANCY

Staff Recommendation  
November 6, 2008

**WATSONVILLE SLOUGH ACQUISITIONS**

File No. 08-101-01  
Project Manager: Laura Engeman

**RECOMMENDED ACTION:** Authorization to disburse up to \$7,180,000 to the Land Trust of Santa Cruz County for the acquisition of four parcels in the Watsonville Slough area of southern Santa Cruz County for the protection and restoration of natural resources, and for public access consistent with those purposes.

**LOCATION:** Coastal Zone, west of Highway One, southern Santa Cruz County near the city of Watsonville (Exhibit 1)

**PROGRAM CATEGORY:** Resource Enhancement and Integrated Coastal and Marine Resources Protection

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**EXHIBITS**

Exhibit 1: [Project Location and Site Map](#)

Exhibit 2: [Watsonville Slough and Parcel Map](#)

Exhibit 3: [Property Photographs](#)

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 31220 and 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to \$7,180,000 (seven million one hundred eighty thousand dollars), including an amount of up to \$680,000 (six hundred eighty thousand dollars) of funds from the U.S. Fish and Wildlife Service, to the Land Trust of Santa Cruz County for the purpose of acquiring Santa Cruz County Assessor’s Parcel Nos. 052-221-19, 052-081-35, 052-081-37 and 052-081-34, consisting of approximately 486 acres commonly known as the Watsonville Slough Property (Property) in the County of Santa Cruz, subject to the following conditions:

1. Prior to the disbursement of funds for acquisition of any portion of the Property, the Land Trust of Santa Cruz County (Land Trust) shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):
  - a. All relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, escrow instructions, environmental or hazardous materials assessment and title report.
  - b. Evidence that sufficient funds are available to complete the acquisition.
2. The Land Trust shall pay no more than fair market value for the Property, as established in an appraisal approved by the Executive Officer.
3. The Land Trust shall permanently dedicate the Property for agriculture, habitat preservation, open space and public access purposes, through an appropriate instrument approved by the Executive Officer consistent with Public Resources Code Section 31116.
4. The Land Trust, with the assistance of the U.S. Fish and Wildlife Service and the California Department of Fish and Game, shall prepare a management plan for the Property consistent with Fish and Game Code Section 2794.
5. Conservancy funding shall be acknowledged by erecting and maintaining signs on the Property, the design and location of which has been approved by the Executive Officer.
6. The Land Trust shall submit an estimate of revenue to be received from activities on the Property and prepare budget reports for written approval 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 the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapters 5.5 and 6 of Division 21 of the Public Resources Code (Sections 31220 and 31251-31270), with respect to integrated coastal and marine resources protection and enhancement of coastal resources.
3. The Property has been identified in the Santa Cruz County Local Coastal Program (LCP) as an environmentally sensitive habitat area which should be preserved and restored.
4. The Land Trust is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

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**PROJECT SUMMARY:**

This project would result in the Land Trust’s acquisition of 486 acres of agricultural and coastal resource property known as the Watsonville Slough Property (Property) in southern Santa Cruz County for the purpose of protecting and enhancing freshwater coastal wetlands, improving floodplain function in the Watsonville Slough complex, preserving agricultural lands and

providing compatible public access (Exhibits 1 & 2).

The Watsonville Slough complex is recognized as the largest and most significant wetland habitat between Pescadero Marsh (San Mateo County) and Elkhorn Slough (Monterey County) and is comprised of freshwater wetlands, riparian habitats, and upland grasslands. The Slough is the largest remaining area of freshwater wetlands in the central coast, and provides critical habitat for the region's coastal and migratory waterfowl, as well as a host of aquatic and riparian species such as the federally listed California red-legged frog (*Rana aurora draytonii*).

The California Department of Fish and Game (DFG) currently owns and manages two isolated Ecological Reserve units in the Watsonville Slough complex (Exhibit 2). Early in 2008, the Land Trust entered into discussions with several landowners to acquire several contiguous parcels that would link these two protected areas and provide significant ecological connectivity. The acquisitions also provide the Land Trust with an opportunity to collaborate with the region's agricultural community to preserve farming operations, while reducing soil erosion and sedimentation that is affecting the Slough's drainage capacity and water quality. A portion of these lands also function as a central drainage point for the Slough. By acquiring these lands, the Land Trust can improve the floodplain function of these bottomlands along the upper watershed.

Following acquisition, the Land Trust will remain responsible for the long-term management of the properties and will work with the U.S. Fish and Wildlife Service, DFG's Ecological Reserve staff and a suite of local partners to prepare a management plan that meets the aforementioned goals. The Land Trust will permit agricultural operations to continue on the upland areas of the property; the agricultural operators may co-manage the property with the Trust according to the new management plan. Revenues received from rents will be used to fund the management of the property and restoration projects that re-establish the historic wetland attributes of the slough complex, provide expanded habitat opportunities for a suite of native amphibians, reptiles, and birds and improve the water quality of the Slough. Revenues may also be used to acquire additional lands from other willing sellers in the Watsonville Slough complex. If public access is found to be consistent with the protection of natural resources on the Property and agricultural food safety requirements, hiking and bird watching activities may be allowed on existing dirt roads.

The Wildlife Conservation Board (WCB) has committed \$5,000,000 and an additional \$500,000 challenge matching grant towards the acquisition of the Property. The Nature Conservancy has also committed \$1,500,000 towards the acquisition. In addition, the Land Trust, in conjunction with the Conservancy and WCB, applied for a total of \$1,680,000 from the U.S. Fish and Wildlife Service National Coastal Wetland Conservation grant program to contribute to the acquisition (see Project Financing Section, below).

The Land Trust is a 501(c)(3) tax exempt local nonprofit organization dedicated to protecting and caring for working lands and natural lands with high conservation value in Santa Cruz County. The organization acquires lands in fee-title or through easements to protect water supplies, wildlife habitats, and open space. In 2006 the Land Trust adopted a new strategic plan to guide its protection of the lands that make Santa Cruz County special, including forests, grazing lands, and prime farmland.

**Site Description:** The Property consists of four parcels in the unincorporated region of southern Santa Cruz County located west of Highway One near the City of Watsonville. The parcels are bounded by Harkins Slough and one DFG Ecological Reserve unit to the west, the other DFG Ecological Reserve unit to the east, and lower Struve Slough and the Southern Pacific Rail line to the south. The Property contains the entire Hanson Slough tributary (see Exhibit 2). The Property is developed agricultural lands intertwined with approximately 100 acres of freshwater wetlands and riparian habitat. The agricultural acreage is currently used for organic and conventional row crop production. The Property contains four single-family homes, a former dairy facility, several agricultural storage structures and two warehouse buildings. There are no paved roads; dirt fire roads provide access across the parcels and are used by the existing agricultural operator who farms and manages the majority of the parcels as one unit.

The Property's topography is gently sloping to rolling, characterized by upland areas sloping down toward the various slough fingers. Hanson Slough, which is located at the heart of the Property, flows within a willow riparian corridor bounded by hill slope cropland. The middle and lower portion of the Hanson Slough watershed is intermingled with willow riparian woodland and upland grassland. At the south end of Hanson Slough, the lower Struve Slough inland marsh extends to the confluence of Hanson during the winter and spring and is dominated by freshwater marsh vegetation. The southwestern end of the property is a critical part of the Watsonville Slough, functioning as the central drainage for all the slough tributaries, before winding through the lower basin, and joining the mouth of the Pajaro River before entering the Pacific Ocean. Historically, this area was a winter-inundated floodplain of the Pajaro River. Wetlands in this area of the Property are increasingly reclaiming their historic terrain and based on the season and freshwater flows, these areas vary from ponds to marsh and scrub habitat and provide significant feeding and resting areas for migratory and coastal birds. Most of these wetlands are no longer being used for agricultural purposes, and future management will focus on restoring the historic floodplain and wetland attributes of this portion of the property.

The Property lies in the coastal zone, between two DFG Ecological Reserve units. DFG's Watsonville Wetlands Conceptual Area Protection Plan (2002) recommends acquisition and responsible stewardship as the primary tool for preserving the region's last remaining example of a coastal wetland/upland complex, providing connected habitat for a number of sensitive species, and maintaining the long-term integrity of DFG's existing ecological reserves. The Watsonville Slough Property acquisition speaks directly to these goals by acquiring sensitive lands that abut the Reserve properties and establishing an opportunity for implementing comprehensive habitat restoration in the Slough. The acquisitions also carry out recommendations of several local conservation planning efforts (See Project History Section, below).

Acquisition of the Watsonville Slough Property will provide permanent protection and enhancement of dispersal and foraging habitats for the federally threatened California red-legged frog between known breeding habitats. It will also protect and enhance existing and potential foraging and breeding habitat for numerous at-risk migratory and coastal birds such as the California brown pelican (*Pelicanus occidentalis Californicus*), tri-colored blackbird (*Agelaius tricolor*), long-billed curlew (*Numenius americanus*), and white-faced ibis (*Plegadis chihi*). Water quality and drainage improvements made through enhanced management and restoration on the property will also provide indirect benefits to the federally endangered tidewater goby

(*Eucyclobius newberryi*) and the federally threatened south-central California coast steelhead (*Oncorhynchus mykiss irideus*) found in the downstream reaches of the Slough and lower Pajaro River.

**Project History:** The Watsonville Slough Property has been of significant interest to conservation groups and resource agencies for many years. With the rapid development of the City of Watsonville along the eastern edge of the Watsonville Slough complex, several efforts were initiated to protect the Sloughs' wetlands for their natural and scenic benefits. In 2002, DFG released their Watsonville Wetlands Conceptual Area Protection Plan (CAPP) with the goal of preserving Watsonville's significant coastal wetland resource and its sensitive amphibian species. The Watsonville Slough Property is identified in the CAPP as acquisition priorities that would maintain the long-term integrity of DFG's existing ecological reserves and where the greatest habitat benefit would result from public ownership.

In 2003, the County of Santa Cruz developed a Watsonville watershed plan with funding from the Conservancy and the U.S. Environmental Protection Agency. The Watsonville Slough Conservation and Enhancement Plan (WSCEP) was developed through a collaboration of numerous agencies, public interest groups and individuals with a stake in the management and protection of the Sloughs. All of the Property the Land Trust is currently working to purchase and protect in perpetuity is identified as high priority sites in the Plan. The WSCEP also identifies the development of a Watsonville Slough trail system by the City of Watsonville as a priority for providing public access to the Slough complex for the recreational and education benefit of the citizens of Watsonville. The Land Trust will work with the WSCEP partners to implement several of the goals and recommendations of wetland conservation, enhancement, restoration and public access articulated in this document.

Over the last few years, the Conservancy and the Resources Conservation District of Santa Cruz County also implemented the middle Watsonville Sloughs Drainage Improvement and Enhancement Project through the Integrated Watershed Restoration Program (IWRP). The goals of this program were to identify strategies to improve water quality, reduce inundation of arable lands, and enhance wetlands. These goals and recommendations were developed in collaboration with local landowners and the IWRP Design and Permitting Technical Advisory Committee (DP TAC), composed of regulatory and technical staff from local, state and federal resource agencies. The southern parcel of the Watsonville Slough Property was identified, based on its location, as a strategic necessity for addressing all three of these needs along the most flood prone section of middle Watsonville Sloughs.

Since 2002, a few of the landowners in this region discussed public ownership, but real acquisition opportunities did not arise until early in 2008 when real estate prices dropped and the southernmost agricultural fields experienced increased and prolonged inundation. The Land Trust engaged in negotiations with the landowners throughout the spring of 2008, and entered into an option agreement to purchase the first of the four parcels in August. The Land Trust has been actively fundraising to complete the first purchase and this acquisition is ready to move ahead.

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**PROJECT FINANCING:**

Coastal Conservancy:

Conservancy grant funds	\$ 6,000,000
Conservancy challenge grant*	\$ 500,000
U.S. Fish & Wildlife Service National Coastal Wetlands Conservation Grant to Conservancy**	<u>\$ 680,000</u>
<b>Total Funds from Conservancy</b>	<b><u>\$ 7,180,000</u></b>

Wildlife Conservation Board:

Wildlife Conservancy Board funds	\$ 5,000,000
Wildlife Conservancy Board challenge grant*	\$ 500,000
U.S. Fish & Wildlife Service National Coastal Wetlands Conservation Grant to Wildlife Conservancy Board**	<u>\$ 1,000,000</u>
<b>Total Funds from Wildlife Conservancy Board</b>	<b><u>\$ 6,500,000</u></b>

The Nature Conservancy \$ 1,500,000

Required Matching Funding to receive challenge grants\* \$ 1,000,000

**Total Project Cost **\$ 16,180,000****

\*The Coastal Conservancy and Wildlife Conservation Board will each provide up to an additional \$500,000 if matching funds are secured by the Land Trust.

\*\*The U.S. Fish & Wildlife Service grants to the Conservancy and Wildlife Conservation Board for the acquisitions would total \$1,680,000 and are expected to be awarded in December 2008 or January 2009.

The expected source for the Conservancy funds for this authorization is an appropriation to the Conservancy from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). Proposition 84 authorizes the Conservancy's use of these funds for the purposes of protecting beaches, bays, coastal waters and coastal watersheds, and the natural habitat values of coastal waters and lands through projects undertaken pursuant to the Conservancy's enabling legislation (Division 21 of the Public Resources Code). Section 75060(e) of the Public Resources Code specifically allocates Conservancy funding for Monterey Bay and its watersheds, which is defined in Section 75072.5 to include the watersheds of those rivers and streams in Santa Cruz and Monterey Counties flowing to the Monterey Bay. The Watsonville Property acquisition will protect and enhance the Watsonville Slough wetland and riparian habitats, benefiting coastal wildlife in the Slough, the lower Pajaro River and Monterey Bay. The proposed authorization is consistent with the Conservancy's enabling legislation, as discussed in the "Consistency with Conservancy's enabling legislation" section below. The proposed authorization is thus consistent with the funding requirements of Proposition 84.

Proposition 84 also requires that for potential projects that include acquisition or restoration for the purpose of protect natural resources protection, the Conservancy give priority to potential projects that meet one or more of the criteria specified in Section 75071. The Watsonville Slough Property acquisition satisfies the following specified criteria: 1) Landscape/habitat linkage – the project will result in the permanent protection of 486 contiguous acres to maximize ecological connectivity. The lands will also link the two isolated units of the California Department of Fish and Game’s Ecological Reserve; 2) Watershed protection – the project will contribute to the protection and restoration of the Pajaro River watershed by acquiring agricultural lands within the Watsonville Slough complex and working with the agricultural operators to implement enhanced water quality and habitat protection measures for the benefit of the slough and the lower Pajaro watershed; 3) Properties that support relatively large areas of under-protected major habitat types – the acquisition will protect and enhance 486 acres, containing approximately 100 acres of a limited distribution of coastal freshwater wetlands; and 4) Non-state matching contribution – The Nature Conservancy will contribute \$1,500,000 toward the acquisitions. The U.S. Fish and Wildlife Service Grant program is expected to provide \$1,860,000 toward the acquisitions. The Land Trust will also secure commitments of \$1,000,000 in additional funds to meet the matching requirements of the Conservancy and the Wildlife Conservation Board challenge grants.

Acquisition of the subject property will serve to protect critical habitat for the California Red-Legged Frog, a federally threatened species. The Land Trust will prepare a management plan for the property as required by Fish and Game Code Section 2794 with respect to land acquired with these funds. The management plan may provide for access to the property if determined consistent with the conservation purposes of the acquisition, consistent with Fish & Game Code § 2799.5.

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

This project would be undertaken pursuant to Division 21, Chapter 5.5 (Integrated Coastal and Marine Resources Protection) and Chapter 6 (Resource Enhancement) of the Conservancy’s enabling legislation (California Public Resources Code Sections 31220 and 31251-31270).

Pursuant to Section 31220(b)(6) the Conservancy may award grants for the purpose of acquiring, protecting, and restoring coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas. The proposed project will result in the acquisition and protection of a unique network of freshwater wetlands, and enhanced protection of these wetland areas will result in improved water quality for the lower Pajaro River and Monterey Bay. As required by Section 31220(a), Conservancy staff has consulted with the State Water Resources Control Board in the development of this project in order to ensure consistency with the Clean Beaches Program under Chapter 3 Of Division 20.4 of the Public Resources Code. Finally, as required by Section 31220(c), the acquisition is consistent with the preliminary Integrated Watershed Management Program for Northern Santa Cruz County and State and regional water quality plans. The acquisition of the described parcels also speaks directly to the goals and recommendations articulated in the Watsonville Slough Watershed Resource Conservation and Enhancement Plan.

Pursuant to Section 31251, the Conservancy may award grants to public agencies and nonprofit

organizations for the purpose of enhancement of coastal resources which, because of human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. The proposed project would enhance the natural and scenic character of the Watsonville Slough complex by preserving a large area of contiguous wetland and upland habitat, and by protecting known habitat for the federally threatened California red-legged frog, and suite of coastal and migratory waterfowl of concern.

Consistent with Section 31252, the proposed project carries out the goal of endangered species protection in the Santa Cruz County Local Coastal Program as described in the “Consistency with Local Coastal Program Policies” section below. In addition, the acquisition will implement recommendations of the DFG’s CAPP for the Watsonville Wetlands.

Consistent with Sections 31253, the Conservancy may provide up to the total cost of a coastal resource enhancement project. In determining the amount of Conservancy funding for this project, the factors identified in section 31253 have been considered and applied, as described in detail below, under the heading “Consistency With Conservancy’s Project Selection Criteria & Guidelines.” Conservancy funds would comprise less than half of the project costs, with the balance provided by the U.S. Fish & Wildlife Service, the Wildlife Conservation Board, and other still to be committed match funding.

**CONSISTENCY WITH CONSERVANCY’S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 4, Objective 4A** of the Conservancy’s Strategic Plan, the proposed project will protect 486 acres of sensitive wetland and upland habitat that connects existing public lands to provide a large contiguous block of habitat and wildlife corridors. The Property is also known habitat for the federally threatened California red-legged frog, as well as several coastal and migratory waterfowl of concern.

Consistent with **Goal 5, Objective 5A**, acquisition of the Property will result in opportunities for enhancement and restoration of wetlands and uplands for federally listed California Red-legged frog and several coastal and migratory waterfowl species. The Land Trust will work with DFG and the USFWS to prepare a management plan for the property as required by Fish and Game Code Section 2794 with respect to land acquired with these funds.

Consistent with **Goal 5, Objective 5C**, acquisition of the Property will result in the preservation and restoration of wildlife corridors both between the coastal habitat areas of the DFG Ecological Reserve units and from coastal to inland habitat areas. The wetland habitat on the Property is recognized as a critical resting and feeding area for coastal and migratory waterfowl along the central coast. The slough tributaries located on the Property are also part of a significant riparian corridor that connects the Monterey Bay to the inland wetlands of the Slough.

Consistent with **Goal 6, Objective 6E**, acquisition of the Property will result in opportunities for improving agricultural practices and enhanced wetland filtration that will reduce water quality impacts to the slough and the lower Pajaro River which is designated as an impaired water body draining to Monterey Bay.

Consistent with **Goal 7, Objective 7A**, the proposed project will protect 486 acres of working agricultural lands and the Land Trust will work with the agricultural operators on the Property to

implement projects that preserve agricultural use while enhancing the wetland and upland habitat areas on the 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:** The project has the support of Senator Abel Maldonado, Assemblyman John Laird, as well as the U.S. Fish & Wildlife Service, the Elkhorn Slough Foundation, the Resource Conservation District of Santa Cruz, the San Francisco Estuary Institute, the Watsonville Wetlands Watch, and other environmental groups. (Exhibit 4).
4. **Location:** The proposed project is located within the coastal zone of southern Santa Cruz County.
5. **Need:** The Watsonville Slough Property has been of significant interest to conservation groups and resource agencies for many years. The Land Trust of Santa Cruz County relies on private donations in combination with state and federal funds to acquire coastal lands, such as this Property. The Land Trust is fundraising for a portion of the acquisition cost and will also provide funds for the management of the property.
6. **Greater-than-local interest:** The proposed acquisition will provide water quality and habitat benefits for the Watsonville Slough complex and the lower Pajaro River, as well as preserve significant freshwater wetland habitat for state and federally endangered species such as the California red-legged frog, the south-central coast steelhead population and several waterfowl species of concern.

**Additional Criteria**

7. **Urgency:** The landowners are eager to sell and will consider selling to developers if conservation ownership does not appear feasible in the immediate future. In addition, agricultural run-off, sedimentation, and eutrophication are causing severe degradation to the slough's wetland habitat and wildlife. In order to prevent the sale to a private developer and further degradation of the slough's wetlands, it is urgent that acquisition occur immediately and, to the extent feasible, remaining habitats be protected from development and other harmful impacts. This opportunity will be lost if the purchase is delayed.
8. **Resolution of more than one issue:** This project will result in the protection and enhancement of wetland habitat that will benefit a federally threatened species and other animals of concern and improved floodplain function and water quality for the benefit of the

slough and the lower Pajaro River. Additionally, it is expected that in the future the Property will be open for hiking and wildlife observation, consistent with protection of natural resources.

9. **Leverage:** See the “Project Financing” section above.
10. **Conflict resolution:** The proposed project will result in the collaboration between the agricultural operator and the Land Trust, and provide opportunities for resolving land use issues that are degrading the property’s wetland habitat. The proposed project will permanently resolve the threat of development degrading sensitive wetland habitat through the purchase of the Property for conservation purposes.
11. **Readiness:** The Land Trust is ready to complete the acquisition of the first parcel upon approval of the Conservancy funding. The Land Trust continues to fundraise to satisfy the requirements of the challenge grants.
12. **Realization of prior Conservancy goals:** The Conservancy has participated in several planning efforts to identify opportunities for preserving and restoring the Watsonville Slough complex. The proposed acquisition will realize numerous goals and recommendations outlined in these planning documents, including acquiring four parcels identified as priorities for achieving these goals. In addition, the Conservancy provided funds to the Wildlife Conservation Board to purchase the Buena Vista property in Watsonville Slough, a known breeding site for the Santa Cruz Long-toed salamander. The proposed acquisitions will provide increased habitat connectivity between these Properties in the Slough. The Conservancy also provided funds for the construction of the Wetland Educational Resource Center, located on the Pajaro Valley High School Campus, directly across from the proposed acquisitions. The Center provides hands-on wetland restoration training for the high school students and is the only resource center on the central coast dedicated to studying endangered freshwater wetlands. The Land Trust will be collaborating with the Center to offer research and restoration opportunities for local university and high school students on the Property.
13. **Cooperation:** This project is a cooperative effort of the Land Trust, Wildlife Conservation Board, the DFG, U.S. Fish & Wildlife Service, Watsonville Wetlands Watch, environmental groups and the landowners. It is part of a larger endeavor by resource agencies to restore the Watsonville Slough complex.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:** Acquisition of the Watsonville Slough Property is consistent with Section 5.1 of the certified Santa Cruz County Local Coastal Plan (LCP), in that it will result in the protection of sensitive habitat as defined in Section 5.1.2 of the LCP as “[a]reas which provide habitat for rare, threatened or endangered species as designated by the State Fish and Game Commission [or the] United States Fish and Wildlife Service....” The California red-legged frog, occurring on this Property, has been designated by those agencies as threatened.

The proposed project is also consistent with Section 5.2 of the LCP which requires the County “in conjunction with AMBAG, the City of Watsonville, and the State Water Resources Control Board, to develop and implement a coordinated resource management plan for the Watsonville

Slough system and surrounding wetlands to improve water quality and biological habitat". The management plan was developed in 2003 and the proposed acquisitions will directly implement several of the goals and recommendations outlined in the document.

Additionally, the proposed project is consistent with Section 5.10.5 and 5.13.5 of the LCP which requires the County to preserve the aesthetic value of agricultural vistas and promote the maintenance of commercial agricultural zoned land in agricultural production.

**COMPLIANCE WITH CEQA:** Acquisition of the Watsonville Slough Property is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15313 and 15325 of 14 Cal. Code of Regulations. Section 15313 exempts the acquisition of land for fish and wildlife conservation purposes. Section 15325 exempts the acquisition of land to preserve existing natural conditions and open space. Upon approval, staff will file a Notice of Exemption for the project.