

COASTAL CONSERVANCY

Staff Recommendation
November 30, 2023

BIG CANYON TIDAL MARSH RESTORATION PHASE 3

Project No. 17-018-03
Project Manager: Katie Nichols

RECOMMENDED ACTION: Authorization to disburse up to \$1,575,409, including \$969,818 awarded to the Conservancy by the U.S. Fish and Wildlife Service through its National Coastal Wetlands Conservation Grant Program, to the Newport Bay Conservancy to restore 14.3 acres of coastal wetlands and associated uplands in Upper Newport Bay within the 60-acre Big Canyon Nature Park in the City of Newport Beach, Orange County.

LOCATION: Big Canyon Nature Park, City of Newport Beach, County of Orange

EXHIBITS

- Exhibit 1: [Project Location and Site Maps](#)
Exhibit 2: [May 16, 2019 Staff Recommendation](#)
Exhibit 3: [Project Letters](#)
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RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed one million five hundred seventy-five thousand four hundred and nine dollars (\$1,575,409), including nine hundred sixty-nine thousand eight hundred and eighteen dollars (\$969,818) awarded to the Conservancy by the U.S. Fish and Wildlife Service, to the Newport Bay Conservancy (“the grantee”) to restore 14.3 acres of coastal wetlands and associated uplands in Upper Newport Bay within the 60-acre Big Canyon Nature Park in the City of Newport Beach, Orange County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.

2. Names and qualifications of any contractors to be retained in carrying out the project.
3. A plan for acknowledgement of Conservancy funding.
4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that the grantee has entered into a landowner agreement sufficient to enable the grantee to implement, maintain, and protect the public interest in the project.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 5 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Newport Bay Conservancy is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$1,575,409 grant, of which \$969,818 has been awarded to the Conservancy by the U.S. Fish and Wildlife Service through its National Coastal Wetlands Conservation Grant Program, to the Newport Bay Conservancy to restore 14.3 acres of coastal wetlands and associated uplands in Upper Newport Bay within the 60-acre Big Canyon Nature Park in the City of Newport Beach, Orange County.

The Big Canyon Creek Restoration and Estuary Adaptation Project is a multi-phase program to restore water quality and the coastal wetlands complex in Big Canyon. Phase 1 of the program, carried out by the City of Newport Beach in 2017, restored a 6-acre site including 650 feet of creek restoration, 2 acres of riparian habitat restoration, and 1-acre of wetland habitat for storm water treatment (See Exhibit 1 for a map of all project phases). Phases 2 and 3 (previously named phase 2A and 2B) include the remediation and restoration of a selenium-impacted freshwater pond, the creation of new transitional salt marsh habitat to adapt to sea-level rise, and improved public access and education. At its May 16, 2019 meeting the Conservancy authorized disbursement of up to \$1,049,991 to the Newport Bay Conservancy to prepare final designs and implement Phase 2 of the project. This recommended authorization is to fund the third and final phase of the program, the Big Canyon Tidal Marsh Restoration Phase 3 (“the project” or “Phase 3”).

Big Canyon is in urgent need of habitat restoration and enhancement due to watershed impacts from channel incision, loss of floodplain, unstable banks, poor water quality, and aggressive encroachment of invasive species. The natural creek habitat and connection to the bay were altered by excavation and the addition of a freshwater pond that collects runoff from the

nearby watershed. Big Canyon Creek is listed as an impaired waterbody for selenium. A total maximum daily load (TMDL) has been established for the creek and concentrations of selenium above water quality guidelines have been measured in dry weather flows. Without the required restoration efforts of this project the remaining native habitats and associated wildlife will rapidly disappear from this important coastal tributary of Upper Newport Bay. Increased impacts from poor water quality will degrade both the creek and the downstream Upper Newport Bay Ecological Reserve.

Phase 3 will restore the last 14.3 acres of the program area. The project will focus on the creek channel and tidal connection to upper Newport Bay and will enhance tidal influence by removing excess sediment that was deposited in the tidal channel, remove an artificial berm, and regrade the area to support low, mid-, and high saltmarsh vegetation. The project will address the poor water quality associated with the constructed freshwater pond and remove invasive species including Brazilian pepper trees and cattails that currently dominate the area. Phase 3 will restore and enhance approximately 1,900 feet of tidal and creek channel habitat, 2.8 acres of tidal salt marsh, 7.3 acres of riparian and transitional freshwater wetlands, and 4.2 acres of coastal sage scrub. The goal of the project is to restore a self-sustaining coastal wetlands complex across the tidal to freshwater to uplands continuum, improve the water quality of the creek and the estuary, restore natural riparian habitat, and protect and restore estuary habitat. Thus far, 60% of the project design for Phase 3 has been completed, and permitting and detailed design for the project is underway.

The Big Canyon Creek Restoration and Estuary Adaptation Project's urban context makes it valuable as an educational and recreational opportunity. Big Canyon Nature Park is an important destination for thousands of children participating in Orange County Department of Education's Inside the Outdoors program which provides watershed educational activities for grade school children throughout the county including disadvantaged communities. As the largest undeveloped canyon adjacent to Newport Bay, it has the potential to become an integral part of the Upper Newport Bay State Ecological Reserve and provide opportunities for the public to learn about coastal wetlands. Newport Bay Conservancy provides educational programming for local middle and high schools groups as well as volunteers. They have installed interpretive signage at the site and the existing and planned construction, operation, and maintenance roads will serve as trails around the perimeter of the restoration site, which will provide enhanced access and educational opportunities.

The City of Newport Beach (City) conducted cultural resource studies and tribal consultations throughout Phases 1 and 2 of the program, and they will continue to coordinate with interested tribal representatives and groups during Phase 3 (See Project Selection Criteria #3). Tribal monitors were engaged with the earlier phases of the program and will continue to engage during Phase 3.

Site Description: The proposed project is located within the 60-acre Big Canyon Nature Park at the downstream end of the Big Canyon watershed in the City of Newport Beach in Orange County (Exhibit 1).

The Big Canyon watershed covers approximately two square miles located on the east side of Upper Newport Bay. Big Canyon Creek winds through the Big Canyon watershed in a general

southeast to northwest direction and then discharges into Upper Newport Bay. The Big Canyon Nature Park is the only natural, undeveloped portion of the Big Canyon watershed and is the only significant remaining natural canyon on the east side of Newport Bay.

The 14.3-acre project area for Phase 3 represents the Northwest portion of the site closest to Upper Newport Bay (See Exhibit 1). The upper 45 acres of the Big Canyon Nature Park Canyon is owned by the City of Newport Beach and the lower 15-acre portion is owned by the California Department of Fish and Wildlife. The Phase 3 project site is owned by CDFW and the City of Newport Beach.

Grant Applicant Qualifications: The Newport Bay Conservancy, working with partners, has successfully completed the first two phases of this multi-phase restoration program and has the qualified staff and contractors to carry out the third phase. The Conservancy has been funding Newport Bay Conservancy to complete technical studies to support restoration planning since 2002.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

1. The extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the "Consistency with Conservancy's Strategic Plan" section below.

2. Project is a good investment of state resources.

The proposed project will restore heavily degraded habitat, which is necessary to enhance the natural and scenic character of the Big Canyon Nature Park. This restoration will provide recreational benefits to Californians by enhancing public access and education with improved trails. The proposed project is also on the Southern California Wetlands Recovery Project's Work Plan—a list of prioritized wetland restoration projects throughout southern California.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

The City of Newport Beach conducted biological resources and cultural resources studies as well as tribal consultations throughout each phase of the program. Although cultural resources were not found in these studies, tribal monitors have been engaged during earlier phases and this will be ongoing as desired for Phase 3. The City of Newport Beach and the Conservancy have conducted tribal consultations with California Native American tribes for this project. One of the local tribes, the Kizh Nation, has been involved in the design of interpretive displays and educational programming to preserve and elevate the cultural history of the site, and tribal representatives consulted on the native plant palette used for restoration. The City and Newport Bay Conservancy will continue to coordinate with interested tribal representatives during this phase of the project.

4. Project benefits will be sustainable or resilient over the project lifespan.

The project will enhance tidal influence by removing excess sediment that has deposited in the tidal channel, removing the artificial berm, and regrading the area to support low, mid-, and high saltmarsh vegetation with adjacent transitional freshwater wetlands that will allow for upslope marsh migration with sea level rise.

5. Project delivers multiple benefits and significant positive impact.

The project involves restoration of a mosaic of coastal habitats in areas that are impacted by invasives, erosion, and historic dredge material placement. The restoration will involve fill removal, grading, invasives removal, and plantings to restore coastal wetlands and adjacent coastal sage scrub. The project aims to restore self-sustaining coastal wetlands, including tidal marsh, riparian, and transitional freshwater wetlands. The project will also facilitate educational benefits because Newport Bay Conservancy provides educational programming for local school groups as well as volunteers. Completing the project will enhance the education programming as it will provide an example of restoration and allow students to view valuable wetland habitat types.

6. Project planned with meaningful community engagement and broad community support.

Project partners have worked closely with the public and other agencies in project development and Phase 1 and Phase 2 implementation (see Exhibit 3 Project Letters). The City and Newport Bay Conservancy staff met with homeowner associations to present the plans for Phase 1 and Phase 2, and outreach and public input have occurred through the CEQA process. The Project has received strong support from local community and environmental groups including Defend the Bay, Surfrider Foundation Newport Beach, and Orange County Coastkeeper. California Department of Fish and Wildlife, the Regional Water Quality Control Board, Orange County Vector Control, U.S. Army Corps of Engineers, University of California Irvine, and several scientists from consulting firms are also involved in the project through the project's Technical Advisory Committee.

PROJECT FINANCING

Coastal Conservancy	\$605,591
U.S Fish and Wildlife Service (<i>via</i> a grant to the Conservancy)	\$969,818
Project Total	\$1,575,409

The source of funds for this project is a \$1,000,000 grant from a U.S. Fish and Wildlife Service National Coastal Wetlands Conservation Grant awarded to the Conservancy. Approximately \$969,818 of the grant will support project implementation directly, while the remaining \$30,182 will pay for Conservancy staff costs. To meet required matching funds for the grant opportunity, the Conservancy will provide an additional \$605,591. The anticipated source of funding for the \$605,591 match is from a Fiscal Year 2022/23 appropriation from the General Fund to the Conservancy for the purpose of "urgent sea level rise adaptation and coastal resilience needs" (Budget Act 2022, SB 154 as amended by the Budget Act of 2023, SB 101). The

coastal resilience funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which sets forth a detailed description of the purposes of the coastal resilience funds. The proposed project is a coastal resilience project that is consistent with this funding source because it will restore coastal wetlands and uplands. Further, as described in this staff recommendation, in selecting this project for a grant, the Conservancy has considered its Strategic Plan, the State Agency Sea Level Rise Action Plan, geographic areas of vulnerability, disadvantaged communities, and opportunities for federal financial support.

The Newport Bay Conservancy, City of Newport Beach, and California Department of Fish and Wildlife will provide significant in-kind contributions of staff time, estimated at one hundred eighty-seven thousand six hundred and forty-four dollars (\$187,644).

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project remains consistent with the Conservancy’s May 19, 2019 staff recommendation and authorization with respect to the Conservancy’s enabling legislation. (See Exhibit 2).

CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#):

Consistent with **Goal 3, Protect and Restore the Coast, Objective 3.2: Restore or Enhance Habitats**, the proposed project will restore and enhance coastal habitats, including 14.3 acres of tidal salt marsh, riparian and transitional freshwater wetlands, and coastal sage upland habitat.

Consistent with **Goal 4, Climate Ready, Objective 4.3: Multi-benefit Nature-Based Climate Adaptation**, the proposed project is multi-benefit and will increase climate resilience by enhancing coastal floodplains.

CEQA COMPLIANCE:

The lead agency for the proposed project, the City of Newport Beach, determined that the project is statutorily exempt from CEQA pursuant to Public Resources Code section 21080.56, (referred to as the Statutory Exemption for Restoration Projects (SERP), which exempts restoration projects that meet certain criteria provided that the California Department of Fish and Wildlife concurs that the project meets the criteria). CDFW has concurred with the City that the proposed project qualifies for the SERP. Accordingly, the project is exempt pursuant to the SERP.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.