

COASTAL CONSERVANCY

Staff Recommendation
April 17, 2025

MORRO BAY - CAYUCOS COASTAL TRAIL

Project No. 25-002-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$2,000,000 to the County of San Luis Obispo to construct a segment of the California Coastal Trail between Morro Bay and Cayucos in San Luis Obispo County, and adoption of findings under the California Environmental Quality Act.

LOCATION: West of Highway 1 between Morro Bay and Cayucos, San Luis Obispo County.

EXHIBITS

Exhibit 1: [Project Location Maps](#)

Exhibit 2: [Project Designs](#)

Exhibit 3: [Photos](#)

Exhibit 4: Final Morro Bay to Cayucos Connector Environmental Impact Report and Mitigation Monitoring and Reporting Program
https://slocountyparks.com/wp-content/uploads/2016/02/mb_to_cay_connector_final_eir_july_2010.pdf

Exhibit 5: [Report Addendum](#)

Exhibit 6: [Project Letters](#)

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 two million dollars (\$2,000,000) to the County of San Luis Obispo (“the grantee”) to construct a

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segment of the California Coastal Trail between Morro Bay and Cayucos in San Luis Obispo County (“the project”).

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 and Proposition 68 as the source of that funding.
4. Evidence that all permits and approvals required to implement the project have been obtained.
5. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project.

In addition, to the extent appropriate, the County of San Luis Obispo shall incorporate the guidelines of the Conservancy’s ‘Coastal Access Project Standards’.

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 9 of Division 21 of the Public Resources Code, regarding public access.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Conservancy has independently reviewed and considered the Morro Bay to Cayucos Connector Final Environmental Impact Report (FEIR), including the Mitigation Monitoring and Reporting Program, certified by the County of San Luis Obispo on October 19, 2010, pursuant to the California Environmental Quality Act (“CEQA”) and attached to the accompanying staff recommendation as Exhibit 4; and the FEIR Addendum dated June 24, 2022, and attached to the accompanying staff recommendation as Exhibit 5. The Conservancy finds, as described further in the accompanying staff recommendation, that:
 - a. The proposed project will have potentially significant environmental effects in the areas of: Aesthetic Resources; Air Quality; Biological Resources; Cultural Resources; Geology, Soils, and Drainage; Hazards and Hazardous Materials; and Transportation and Circulation. The Conservancy finds that the mitigation measures identified in the FEIR will avoid, reduce, or mitigate these possible significant environmental effects to less-than-significant levels and that these mitigation measures have been required or incorporated into the project.
 - b. The Conservancy further finds that the Project will result in significant and unavoidable environmental effects in the areas of Aesthetic Resources and Geology, Soils, and Drainage, but environmental and other benefits of the Project as described in the accompanying staff recommendation outweigh or render

acceptable these unavoidable adverse environmental effects to achieve the objectives of the Project.

- c. The Conservancy adopts the Findings regarding Significant Effects and Statement of Overriding Considerations set forth in the accompanying staff recommendation.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends authorization to disburse up to \$2,000,000 to the County of San Luis Obispo to construct a 1.2-mile segment of the California Coastal Trail (“CCT”) between Morro Bay and Cayucos in San Luis Obispo County (“the project”) (Exhibit 1). This proposed new segment of the CCT would be located on the ocean side of Highway One adjacent to state and city-owned beach areas popular with surfers and dog walkers. The multi-use trail would be fully accessible to persons with disabilities and extend 1.2 miles parallel to the beach and connect to three miles of existing street routes in Morro Bay and Cayucos that have been improved with dedicated bike/pedestrian lanes and street calming features. The project will complete a critical gap in the CCT and reduce barriers to coastal access along a highly scenic stretch of coast offering broad ocean views of Estero Bay and Morro Rock, a local landmark (Exhibit 3). The project includes constructing three overlooks, installing interpretive signs, improving two parking areas, installing storm water management features, constructing a 600-foot seawall to protect the portion of the trail on the bluff, and placing logs under the sand to stabilize dunes adjacent to the trail.

Highway 1 is the only paved route between Morro Bay and Cayucos. There are no streets or designated bike lanes connecting these communities so cyclists must travel on a paved shoulder adjacent to high-speed traffic on Highway 1. Cars driving off and on to the highway at informal dirt shoulder parking areas create hazardous conditions for drivers, cyclists and beach goers (Exhibit 3). A recent survey of residents in the area confirmed that 90% of residents are reluctant to walk or bike along the highway because there is no safe route to do so. However, once the proposed new path is constructed the survey indicates over 80% of residents would walk and/or bike the route. The paved path is expected to attract skaters, scooters, and families going for a walk pushing strollers, as well as students walking and biking between their home and nearby Morro Bay High School. By connecting the two coastal communities and their waterfront business districts, the path will also serve to increase car-free travel and stimulate economic activity in both communities.

The proposed new 1.2-mile segment of trail above the beach is located on land recently acquired by the City of Morro Bay and San Luis Obispo County with Conservancy and other state funding provided as part of the larger Toro Creek acquisitions. Designed as a Class 1 multi-use pathway, this trail segment features a 12-foot-wide paved path to safely accommodate bikes, pedestrians and other users. The path includes a 180-foot-long bridge over Toro Creek and two shorter bridges (70 feet and 50 feet) over two large drainages (Exhibit 2). The trail will connect to informal coastal access areas at several locations, including at the popular dog-friendly beach known as “Dog Beach.”

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The project area south of Toro Creek is confined by the Highway 1 right of way that extends over most of the available bluff area needed for the trail, thus requiring the trail to be located in proximity to the bluff edge. At this location a 600-foot-long seawall was determined to be the only viable option to protect the bluff and trail from coastal erosion. County staff worked closely with Coastal Commission staff and the trail engineers to design and locate the seawall to minimize impacts to the beach and bluffs. This section of the trail also includes a 600-foot-long, 32-inch-tall concrete barrier with a see-through railing located on the bluff to separate cyclists and pedestrians from the highway and decrease dangerous interactions between cars and pedestrians and cyclists. To reinforce the resiliency of the dune ecosystem below the trail, Coastal Commission permit conditions required the project design to include a nature-based sea level rise adaptation element that entails placing logs on the beach below the trail along especially vulnerable stretches of the back dunes, burying them under sand, and planting native dune species to help stabilize dune habitat.

Three overlooks along the trail will provide visitors with opportunities to stop, sit and enjoy the panoramic views (Exhibit 3). Three interpretive panels will be installed at each overlook with information on the surrounding natural areas and history, including the history of tribal presence and traditions dating back thousands of years. Existing informal parking areas will be improved at both ends of the trail with additional parking spaces for persons with disabilities. Stormwater runoff from Highway 1 and other sources will be managed at the parking areas and along the path with new culverts, natural swales with native plants, and other best management practices to direct and disburse flows to minimize erosion of the parking areas, trail, bluffs and vulnerable sand dunes. Up to two acres of sensitive bluff habitat will be restored and drain rock will be placed at the base of storm outlets to dissipate energy and reduce erosion.

Hundreds of people participated in the community engagement and planning efforts for this trail led by County staff and officials. Staff presented project updates to local advisory groups and regulatory boards and commissions. In 2024, the project went before the City of Morro Bay City Council, the City of Morro Bay Public Works Advisory Board, the County of San Luis Obispo Board of Supervisors and the California Coastal Commission when they met in Morro Bay to receive public comment and ultimately approve the project. During the project's environmental review process, the County sent letters to 23 Native American groups or individuals with potential interest in the cultural resources in the project area. Three responses were received indicating that resources were likely to be encountered during construction with requests that the cultural resources investigation and the proposed project be implemented in a non-invasive manner, and that Native American Monitors be onsite during construction. In addition, the Conservancy sent letters to 11 tribes with no response received.

Site Description: The project is located within the Highway One corridor between the City of Morro Bay to the south, the community of Cayucos to the north and undeveloped coastal foothills to the east (Exhibit 1). Once the proposed project is complete, the trail system will extend for three-plus miles from the northern portion of Morro Bay at the Yerba Buena Street and Highway 1 intersection to the south end of Studio Drive in Cayucos, and along existing coastal access points at a popular dog-friendly beach known as "Dog Beach" near the mouth of Toro Creek, the North Point Natural Area in Morro Bay and at the south end of Studio Drive in

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Cayucos (Exhibit 2). Formal parking areas with parking spaces for persons with disabilities are located along the trail in both Morro Bay and Cayucos at Cloisters Park, Morro Strand Beach, and Norma Rose Park. Four miles of undeveloped sandy beach and dunes extend through the project area between Morro Bay and Cayucos. Sensitive habitats include coastal wetlands, foredune habitat, snowy plover, California red-legged frog, coast horned lizard, and a variety of nesting birds.

Grant Applicant Qualifications: The County of San Luis Obispo Parks Department has a long history managing coastal access improvement projects with funding from the Conservancy and other state agencies. This includes construction or renovation of numerous beach access stairways in Cayucos, a major renovation of the Cayucos Pier, and the current restoration of the Cayucos Veterans Hall at the foot of the pier. The County partnered with the Conservancy and other state funders to complete two acquisitions to add to their new Toro Creek County Park located in the project area. The County Department of Parks and Recreation will maintain and operate the proposed trail. The County has more than 60 park rangers maintaining over 12,000 acres of County parks and beaches, over 30 coastal accessways, dozens of trails and three historic sites. Current and future maintenance will continue to be supported by the County's General Fund.

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:

Selection Criteria

1. 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 is a good investment of state resources as it contributes to the State's objective to complete the Coastal Trail, and would complement recent Conservancy investments in the area including the Toro Creek Park acquisitions located adjacent to the proposed trail. The proposed project has been awarded \$10 million from Caltrans. Conservancy staff have reviewed the project budget and found that it is reasonable and feasible given the scope of the project. The project will have multiple benefits for both residents and visitors as described in #4 below.

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

The proposed trail design includes nature-based sea level rise adaptation elements to maximize resilience to increased wave runup intensity. As described in the Project Summary, existing and seasonal driftwood logs will be installed horizontally under the dunes and native dune species planted to help stabilize the dunes and increase dune's resiliency. Stormwater runoff will be managed with improved culverts and best management practices to minimize erosion of the bluffs, trail, and dunes.

4. Project delivers multiple benefits and significant positive impact.

This project will provide safe, accessible recreational opportunities for residents and visitors to the northern San Luis Obispo County coast. The multi-use path is designed to be accessible for people with disabilities and will connect two popular destinations and their waterfront business districts. By providing a safe route for non-motorized travel between Morro Bay and Cayucos the project may also decrease greenhouse gas emissions and provide health benefits to users. The project will provide a new transportation and recreation option which will directly benefit disadvantaged communities located in both Morro Bay and Cayucos.

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

Hundreds of community members and numerous local organizations and advisory groups participated in the 20-year design period of the project. County staff presented updates on project designs at several regulatory boards and commissions. In 2024 project updates were provided to the City of Morro Bay City Council, the City of Morro Bay Public Works Advisory Board, the County of San Luis Obispo Board of Supervisors, and the California Coastal Commission.

PROJECT FINANCING

Coastal Conservancy	\$2,000,000
San Luis Obispo County (via California Department of Transportation grants)	<u>\$10,000,000</u>
Project Total	\$12,000,000

Conservancy funds for this project are expected to come from an appropriation to the Conservancy from the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoors Access for All Act of 2018 (Proposition 68, California Public Resources Code Sections 80000- 80173). This project is an eligible project type pursuant to Section 80120(c), which authorizes use of these funds for the protection of beaches, bays, wetlands, and coastal watershed resources pursuant to Division 21 of the Public Resources Code (PRC) including projects to complete the California Coastal Trail pursuant to PRC Section 31408. The proposed Coastal Trail project is consistent with the funding guidelines for expenditure of Proposition 68 adopted by the Conservancy on December 6, 2018 (Guidelines) as described in various sections of this staff recommendation (See PRC Section 80010).

The California Department of Transportation grant funds secured by San Luis Obispo County stem from the California Transportation Commission’s Active Transportation Program and California State Transportation Improvement Funds.

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 will be undertaken pursuant to Chapter 9 of Division 21 of the Public Resources Code (Sections 31400-31410) related to public accessways. Section 31400 states that the Conservancy shall have a principal role in the implementation of a system of public accessways to and along the state's coastline. Through the proposed project, the Conservancy will play a primary role by funding the construction of an important link in the California Coastal Trail, a trail system of statewide significance. Consistent with Section 31400.2, the following factors were considered in determining the amount of Conservancy funding for this project: the total amount of funding available for coastal public accessway projects, the urgency of the project, and the Conservancy's project selection criteria, as described in the "Consistency With Conservancy's Project Selection Criteria" section above.

Consistent with Section 31408 requiring the Conservancy to coordinate development of the CCT in consultation with the Coastal Commission and others, Conservancy and County of San Luis Obispo staff have worked with Coastal Commission and Caltrans staff in developing the proposed project.

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

Consistent with **Goal 1 Objective 1.1** the project will improve recreational conditions for residents in a nearby systemically excluded community and reduce barriers to accessing or enjoying the coast.

Consistent with **Goal 2 Objective 2.3**, the proposed project will reduce barriers to coastal access for people with disabilities.

Consistent with **Goal 2 Objective 2.4**, the proposed project will complete a new segment of the California Coastal Trail.

Consistent with **Goal 2 Objective 2.5**, the proposed project will enhance recreational amenities with the installation of overlooks with benches, interpretive signage and other amenities.

CEQA COMPLIANCE:

On October 19, 2010, the County of San Luis Obispo certified the Morro Bay to Cayucos Connector Final Environmental Impact Report (FEIR) and adopted a Mitigation Monitoring and Reporting Program. On June 24, 2022, the County issued an Addendum to the FEIR addressing minor changes to the project description. The proposed project is the project analyzed in the Final EIR and Addendum. For the following resource areas, the Final EIR and Addendum indicated that the project would have potentially significant environmental effects; however changes or alterations have been required in, or incorporated into, the project that mitigate to less than significant each of the potentially significant effects:

- Aesthetic Resources

- Air Quality
- Biological Resources
- Cultural Resources
- Geology, Soils, and Drainage
- Hazards and Hazardous Materials
- Transportation and Circulation

For the following resource areas, the Final EIR and Addendum indicated that the project would have significant environmental effects that although minimized or reduced by mitigation measures will not be less than significant, either because no mitigation measures are available or mitigation measures were considered but identified as infeasible due to specific economic, legal, social, technological, or other considerations:

- Aesthetic Resources
- Geology, Soils, and Drainage

These impacts will remain significant and unavoidable. A Statement of Overriding Considerations (see below) is recommended to address these significant and unmitigated impacts.

1. Findings for Significant Effects that can be Mitigated to Less-Than-Significant Levels

Aesthetic Resources

Construction of the various bikeway improvements could degrade the existing visual quality of the area and result in significant impacts. Mitigation measure AR/mm-2 requires that retaining walls and signs be kept as low as possible, and that the bikeway improvements use materials and colors that minimize their contrast with the surrounding landscape.

Air Quality

Earth moving activities required to construct the project may expose naturally occurring asbestos, resulting in an indirect short-term impact. To mitigate for this, Mitigation Measure AQ/mm-1 requires that prior to the start of construction, the County must conduct a geologic analysis to determine if naturally occurring asbestos is present onsite. If found the applicant must comply with all requirements outlined in the Asbestos Airborne Toxic Control Measures and prepare a Health and Safety Program and an Asbestos Dust Control Plan.

Biological Resources

The proposed project is located within close proximity to several environmentally sensitive habitat areas (ESHAs) and could result in direct or indirect disturbances to ESHAs. Mitigation measure BIO/mm-1 requires a designation of a qualified biological monitor to ensure that all mitigation measures are implemented. Measures BIO/mm-2 and BIO/mm-3 require that the design plan show the location of all the project delineation fencing that excludes all the adjacent ESHA areas (BIO/mm-2) and also show the placement of interpretive signs along the

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bikeway to inform users about adjacent habitats (BIO/mm-3). Measure BIO/mm-4 requires the designated biological monitor to conduct environmental awareness training for construction personnel prior to the start of construction. Measure BIO/mm-5 requires the project's contractors and the monitoring biologist to coordinate on the placement of project delineation fencing as needed throughout the work site.

Vegetation removal, grading, and construction activities could result in indirect impacts including erosion and down-gradient sedimentation and pollutant discharges (e.g., sediment, oil, fuel, materials) into ESHAs. To address this, Measure BIO/mm-6 prohibits construction activities within or immediately adjacent to ephemeral drainages and Toro Creek during the rainy season. BIO/mm-7 requires that construction and equipment access be conducted from the banks and upland areas and not within drainages unless authorized by specific permit. BIO/mm-8 requires implementation of standard Best Management Practices (BMPs) related to staging and stockpile areas, handling spills of hazardous materials, and cleaning and refueling of equipment. BIO/mm-9 and BIO/mm-10- require preparation of an erosion control plan (BIO/mm-9) and a Stormwater Pollution Prevention Plan (SWPPP; BIO/mm-10) both of which would specify BMPs that will be implemented to control both temporary and long-term erosion and sedimentation, and require inclusion of these BMPs on the design plans. BMPs include the use of erosion protection materials, hydro-seeding disturbed areas, and the use of native plants for long-term revegetation of areas.

The proposed project could impact Waters of the U.S., ephemeral drainages, and seasonal wetlands along the corridor route. These impacts would be mitigated through the installation of two small bridges (BIO/mm-11 and BIO/mm-15) and a slight relocation of the project alignment (BIO/mm-16).

The proposed project includes a new bridge over Toro Creek. Inadvertent depositions of sediment, materials, tools, or hazardous materials into the creek bed could occur during installation of the bridge. Measures BIO/mm1 through BIO/mm-10 would address these potential impacts.

The proposed project could impact dune habitats through construction activities and by allowing unrestricted egress into due habitat. Measures BIO/mm-12 and BIO/mm-13 require the County to prepare a Dune Habitat Restoration Plan (BIO/mm-12) and to retain a qualified biologist to oversee implementation of the plan (BIO/mm-13). In addition habitat protection fencing along portions of the bikeway (BIO/mm-14) and temporary beach accessway (BIO/mm-17) would be required.

The proposed project could impact special status birds, including Western Snowy Plovers, during construction and use. To mitigate these impacts, BMPs for avoiding impacts to nesting birds including pre-construction surveys and delay of nearby construction activities, are required (BIO/mm-18 and BIO/mm-19). Measures BIO/mm-3 and BIO/mm-14 would also mitigate impacts to western snowy plovers.

The proposed project could result in direct take of coast horned lizard. Measure BIO/mm-20 would mitigate this impact by requiring pre-constructions surveys for and relocation of coast horned lizard.

Cultural Resources

The proposed project could potentially disturb intact subsurface cultural resources associated with a known cultural resources site, resulting in a significant impact. Mitigation Measures CR/mm-1 through CR/mm-7 will reduce this impact to less than significant by requiring the following: conducting a Phase II site assessment to confirm the boundaries of the site and integrity of the resources; having a qualified archaeologist develop and implement a Phase III data recovery plan; developing a monitoring plan for project construction and then implementing and reporting on that plan; and having a qualified archaeological monitor and Native American monitor present during all earthmoving activities.

Geology, Soils, and Drainage

The proposed project could result in a significant impact if proposed improvements are damaged, fail or become unstable when a seismic event results in liquefaction of the underlying soils. Mitigation measure GSD/mm-1 requires preparation of a geotechnical report for the proposed project, including the bridge abutments, that addresses erosion, liquefaction, lateral spreading, rockfall, and seismic settlement potential along the creek banks.

Construction activities, including soil disturbance, removal of the remnant road, and removal of vegetation would cause erosion and down-gradient sedimentation, resulting in a potentially significant impact. Biological mitigation measures BIO/mm-6 through BIO/mm-10 will mitigate this impact to be less than significant.

Hazards and Hazardous Materials

Hydrocarbon-contaminated soils would potentially be encountered during construction of bikeway improvements within the Marine Terminal property, resulting in a release of hazardous materials into the environment. Mitigation Measures HAZ/mm-1 and HAZ/mm-2 require the development and implementation of a Contaminated Materials Management Plan that outlines the BMPs that will be used if contaminated materials are encountered during project construction.

Transportation and Circulation

Implementation of the proposed project would result in periodic lane closures along Highway 1 during construction, resulting in a potentially significant impact. Mitigation Measure TC/mm-1 requires the County to notify Caltrans 60 days prior to construction and requires that construction activities affecting Highway 1 be performed in accordance with all regulations or restrictions imposed on the project by Caltrans.

Once constructed, the proposed project could lead to parking demand exceeding parking supply, increased use of surface streets by cyclists and pedestrians, and increased bicycle and pedestrian traffic along the Highway 1 and Old Creek Road intersection and at other locations along Highway 1. Mitigation measure TC/mm-2 would address all of these impacts through preparation and implementation of a Signage and Striping plan that will address maximizing use of designated parking areas, and BMPs for ensuring safety for cyclists, pedestrians and motor vehicles.

Implementation of the proposed project would contribute to cumulative impacts associated

with population and tourism growth in the area, resulting in increased traffic congestion, parking demand, and motorist and cyclist interaction safety issues. Mitigation Measures TC/mm-1 and TC/mm-2 would reduce potential impacts to less than significant.

2. Findings for Potentially Significant and Unavoidable Effects

Aesthetic Resources

For safety reasons, Caltrans requires the construction of a traffic safety barrier between Highway 1 and the bike trail. The impact of this barrier on scenic views for cars traveling on Highway 1 was determined to have a significant unavoidable effect. The Addendum states that changes in the project alignment have resulted in a traffic barrier that is 40% shorter in height, 25% shorter in length and does not include any reflective elements, all of which will reduce this impact.

Mitigation measure AR/mm-1 requires the use of the shortest barrier and railing combination allowed by Caltrans and requires the design to: soften the appearance of the barrier through use of “sandy beach” or similar muted-color concrete; minimize vertical elements (supports) and the use of embellishment; and reduce the reflectivity of the vertical railing elements. This measure will reduce the impact of the project on scenic views but not to a less than significant level.

Geology, Soils, and Drainage

Bluff retreat would potentially undermine the Class 1 bikeway between Toro Creek and Studio Drive within 25 years or less, resulting in a potentially significant impact. Mitigation measure GSD/mm-3 requires that North of Toro Creek, the proposed Class 1 bikeway be setback from the bluff edge and as close to the Highway 1 ROW as is feasible. This measure will reduce the impact but not to a less than significant level.

3. Statement of Overriding Considerations

In the event a project has unavoidable significant environmental effects, the CEQA Guidelines require the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project (Title 14 California Code of Regulations Section 15093). If the specific project benefits outweigh the unavoidable significant environmental effects of the project, a Statement of Overriding Considerations may be adopted and the project approved, despite its significant environmental effects. The overall environmental benefits of the project, as detailed in the Project Summary section of this staff recommendation and Exhibit 4, warrant the Conservancy’s decision to authorize a grant for the project. The project’s public benefits that justify proceeding with the project despite the environmental cost of the unavoidable significant environmental effects include:

- **Increased public safety.** The proposed project will provide a safer route to connect the communities of Morro Bay and Cayucos for cyclists and pedestrians.

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- **Reduced Greenhouse Gas Emissions.** By providing a safe route for cyclists and pedestrians between Morro Bay and Cayucos, the proposed project could reduce the number of car trips travelled and thus also reduce greenhouse gas emissions.
- **Increased Recreational Opportunities.** The proposed project will provide a new recreational opportunity for both residents and visitors.
- **Economic benefit.** The project will be an attraction for visitors and will be a boost to the local tourist economy.
- **Benefit Public Health.** By providing a safe alternative to car travel between Morro Bay and Cayucos and a new recreational amenity, the proposed project will facilitate more active exercise and therefore benefit public health.

For these reasons, Conservancy staff recommend that the Conservancy find that the project, as mitigated, avoids or reduces to less than significant all potentially significant environmental effects, except for the unavoidable significant environmental effects to Aesthetic Resources and Geology, Soils, and Drainage. With respect to these unavoidable significant environmental effects, Conservancy staff recommends that the Conservancy find that the economic, social, and other benefits of the project as described above outweigh the unavoidable significant environmental effects.

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