

COASTAL CONSERVANCY

Staff Recommendation

May 27, 2004

MANCHESTER ENHANCEMENT PROJECT

File No. 03-075

Project Manager: Trish Chapman

RECOMMENDED ACTION: Authorization to disburse up to \$110,000 to the San Elijo Lagoon Conservancy to implement the Habitat Enhancement Plan for the Manchester Site.

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

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Habitat Enhancement Plan for the Manchester Site

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed one hundred ten thousand dollars (\$110,000) to the San Elijo Lagoon Conservancy (SELC) to implement the Habitat Enhancement Plan for the Manchester Site, attached to the accompanying staff recommendation as Exhibit 2, subject to the following conditions:

1. Prior to commencement of construction and to disbursement of any funds, SELC shall submit for the review and written approval of the Executive Officer of the Conservancy:
 - a. A detailed work program, project budget and timeline.
 - b. The names and qualifications of any contractors or subcontractors that SELC intends to employ to construct the project.
 - c. Evidence that all applicable permits and approvals for the project have been obtained.
2. Conservancy funding shall be acknowledged by erecting and maintaining a sign in the project area, which has been reviewed and approved by the Executive Officer of the Conservancy.”

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with the purposes and criteria set forth in Chapter 6 of the Public Resources Code (31251-31270) regarding enhancement of coastal resources.
2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy’s Project Selection Criteria and Guidelines adopted on January 24, 2001.
3. San Elijo Lagoon has been identified in the City of Encinitas Local Coastal Plan as an environmentally sensitive habitat area which should be preserved and restored.
4. The San Elijo Lagoon Conservancy 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.”

PROJECT SUMMARY:

The proposed project would provide a grant to the San Elijo Lagoon Conservancy to implement the Habitat Enhancement Plan (HEP) for the Manchester Property (Exhibit 2). In October 2002, the County of San Diego acquired the Manchester Property with funding from the Conservancy and the U.S. Fish and Wildlife Service (USFWS). The site totals 18.9 acres and is located adjacent to Escondido Creek along the northeast boundary of San Elijo Lagoon Preserve. The Manchester site has been disturbed by past land uses and is dominated by non-native species.

At the time of acquisition, the County anticipated that it would allow its Water Authority to restore up to 6.7 acres of the site, an amount proportional to the County’s contribution to the acquisition, as compensatory mitigation for permanent wetland impacts occurring elsewhere in the County. The San Diego County Water Authority (SDCWA) will also restore an additional 8.7 acres of wetlands adjacent to the Manchester Property. The Manchester HEP addresses the disturbed habitat on the property outside of the SDCWA wetland creation boundary.

The goals of the HEP are to (1) improve the quality of disturbed and ruderal upland habitat for the California gnatcatcher, an endangered species, and (2) remove and control exotic plant species within the existing riparian corridor to provide higher quality habitat for resident wildlife as well as migratory bird species such as the least Bell’s vireo. Ruderal and disturbed upland habitats will be enhanced to increase the relative cover of native vegetation. The upland areas will be revegetated with *Isocoma* scrub species and the addition of some coastal sage species. This will enhance the upland area for use by gnatcatchers which are known to use the site. Intact upland habitats will not be disturbed.

The HEP identifies nine specific areas within the property and outlines methods for invasive species removal and re-establishment of native vegetation for each area. The plan also outlines a five-year monitoring and maintenance program to ensure that revegetation objectives are met. After completion of the project and five-year monitoring and maintenance period, the site will be managed by the County of San Diego, which owns the property.

The San Elijo Lagoon Conservancy (SELC) manages the San Elijo Lagoon Ecological Reserve in partnership with the County of San Diego and the Department of Fish and Game. It has successfully implemented a wide range of projects including land acquisitions, wetlands restoration, and comprehensive planning. SELC is extremely qualified to undertake the proposed project.

Site Description: The Manchester enhancement site is located two miles east of the Pacific Ocean in the City of Encinitas in northern San Diego County. The property consists of two parcels totaling 18.9 acres. Manchester Avenue is immediately to the west, and El Camino Real is approximately 750 feet to the north of the project area. Lux Canyon Creek runs through the property (see Exhibit 1). The Manchester site has been disturbed by past land uses, specifically grazing, which appear to have contributed to the current low cover of native vegetation. While the property was extensively used for agriculture until the late 1980s, native habitat has re-established itself on portions of the site. The dominant upland vegetation types are *Isocoma* scrub, disturbed *Isocoma* scrub, disturbed coastal sage scrub, and ruderal land. The coastal California gnatcatcher, a federally-listed species, is known to occupy portions of the site. Least Bell's vireo, a state and federally-listed species, has been recorded on-site but does not currently nest there. Other sensitive species observed include the orange-throated whiptail, two-striped garter snake, and the San Diego horned lizard. Wetland plant communities occurring on-site include southern willow scrub, alkali marsh, and brackish marsh. Several exotic plant species, including mustard, pampas grass, and nonnative acacia, pose an ongoing threat to the quality of the upland and wetland habitat on-site.

Project History: The Coastal Conservancy has been working with the County of San Diego and SELC for over ten years to preserve and restore the wetland resources at San Elijo Lagoon. The Conservancy adopted the San Elijo Lagoon Enhancement Plan and Action Plan in May 1999.

As part of lagoon planning efforts, the California Department of Fish and Game (CDFG) and the County of San Diego developed a Conceptual Area Protection Plan (CAPP) to acquire approximately 200 acres of wetland habitat that drains into the San Elijo Ecological Reserve. The CAPP identifies specific parcels and acquisition priorities based on habitat values. It was adopted by CDFG in 1988 and amended once in 1991. On June 25, 2001, the Conservancy approved the San Elijo Lagoon Acquisition Program, a comprehensive acquisition program for the lagoon focused on the highest priority properties identified in the CAPP. The CAPP identified the Manchester Property as the second highest priority for acquisition.

In December 2001, the Conservancy was awarded an \$850,000 USFWS National Coastal Wetland Conservation (NCWC) Grant for acquisition and restoration planning on the Manchester Property at San Elijo Lagoon. The grant budgeted \$650,000 towards acquisition of the property, \$150,000 for planning and restoration, and \$50,000 for Conservancy staff time over the course of the project. In October 2002, the County of San Diego acquired the Manchester Property as part of the SEL Acquisition Program using \$650,000 from NCWC, \$483,000 from the Conservancy, and \$667,000 of County funds. In August 2003, the Conservancy approved \$40,000 for restoration planning, leaving a balance of \$110,000 from the USFWS grant to implement the restoration.

PROJECT FINANCING:

USFWS – Nat. Coastal Wetlands Conservation Grant	<u>\$110,000</u>
Total Project Cost	\$110,000

The proposed project would be funded with monies from the USFWS National Coastal Wetlands Conservation grant, awarded to the Conservancy for the acquisition and restoration of the Manchester site. See the “Project History” section above for more details on the USFWS grant.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The Manchester Enhancement Project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270. Pursuant to § 31251, the Conservancy may award grants to nonprofit organizations to enhance coastal resources. By enhancing wetland, riparian, and transitional habitat on the Manchester Property, this project will facilitate preservation of the biological and hydrological resources of San Elijo Lagoon.

Pursuant to § 31251.2, the Conservancy may award a grant to enhance a watershed resource that is partly outside of the coastal zone. The Manchester Property is located outside the coastal zone. Consistent with this section, the County of San Diego has requested the Conservancy's assistance on the project.

Pursuant to § 31252, the proposed project is consistent with the City of Encinitas Local Coastal Program as described in "Consistency with Local Coastal Program Policies" below.

Consistent with § 31253, the amount of funding recommended for the proposed project is based on the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant and its project partners, and the urgency of the project relative to other eligible coastal resource enhancement projects.

Consistent with § 31255, SELC submitted a proposal for the proposed project to the Coastal Conservancy.

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

Consistent with **Goal 5 Objective A**, the proposed project will increase Coastal Resource Conservation by restoring 18.9 acres of coastal wetland habitat and will further the goals of the Southern California Wetlands Recovery Project.

Consistent with **Goal 5 Objective C**, the proposed project will remove invasive wetland species and replace them with native vegetation.

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:** See the "Project Financing" section above.
3. **Support of the public:** There is broad community support for the preservation and enhancement of wetland habitats at San Elijo Lagoon. SELC is working in partnership with the County, CDFG, and the Cities of Encinitas and Solana Beach on several projects including the Manchester enhancement.

4. **Location:** The proposed project would be located outside the coastal zone on the northeast margin of San Elijo Lagoon (see Exhibit 1). The proposed project will benefit the lagoon's coastal resources by providing additional wetland, riparian, and transitional habitat for resident and migratory wildlife using the lagoon. In addition, restoration of wetland and riparian habitat on the site will help improve water quality in the lagoon by reducing sediment flows and removing some nutrients and contaminants from Lux Creek as it enters the lagoon.
5. **Need:** Neither SELC or the County currently have the funds to undertake this project. Without the NCWC funding provided through the Conservancy, the project would not occur at this time.
6. **Greater-than-local interest:** San Elijo Lagoon is one of the largest coastal wetlands in southern California and provides important habitat to endangered species and migratory birds. The proposed project will facilitate efforts to preserve and restore the lagoon's ecosystem.

Additional Criteria

9. **Leverage:** See the "Project Financing" section above.
12. **Readiness:** SELC is ready to begin the project upon approval by the Conservancy.
13. **Realization of prior Conservancy goals:** See the "Project History" section above.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The City of Encinitas Local Coastal Program (LCP) outlines several policies that relate to the preservation and restoration of San Elijo Lagoon and Escondido Creek. These include: Policy 10.4 – "The City will develop a program to acquire or preserve the entire undeveloped riparian corridor within the City that drains into the San Elijo Lagoon . . ."; Policy 10.9 – "The City will encourage the preservation and the function of San Elijo Lagoon . . . as viable wetlands, ecosystems and habitat for resident and migratory wildlife . . ."; Policy 10.10 – "The City will encourage and cooperate with other responsible agencies to plan and implement an integrated management plan for the long-term conservation and restoration of wetlands resources at San Elijo Lagoon." The proposed project will help preserve and restore the wetlands resources in San Elijo Lagoon and is therefore consistent with all of these policies.

COMPLIANCE WITH CEQA:

The proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 Cal. Code of Regulations Section 15304, in that it involves only minor alterations to the condition of land, water, and/or vegetation but does not involve the removal of mature, healthy scenic trees. Section 15304(d) indicates that this exemption applies to such activities as designated wildlife management areas, where results would improve habitat and wildlife resources or result in greater fish production. SELC has consulted with the USFWS about the project's potential effects on the California gnatcatcher. USFWS has stated its agreement with SELC's determination that there will be no effect on the gnatcatcher and will be sending a letter to SELC confirming this. Upon approval, staff will file a Notice of Exemption for this project.