

COASTAL CONSERVANCY

Staff Recommendation
May 19, 2011

WALKER ACQUISITION: SAN DIEGO RIVER

Project No. 10-50-01
Project Manager: Megan Cooper

RECOMMENDED ACTION: Authorization of an amount not to exceed \$1,445,000 to the City of Santee to acquire and design a trail on the Walker Property along the San Diego River, San Diego County, for the purpose of protecting, restoring and enhancing habitat and open space, and providing compatible public access.

LOCATION: City of Santee, County of San Diego

PROGRAM CATEGORY: Public Access and Watershed Protection

EXHIBITS

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

Exhibit 2: [Site Photos](#)

Exhibit 3: [Planning Framework and Opportunity Assessment](#)

Exhibit 4: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31220 and 31400-31410 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to one million four hundred forty five thousand dollars (\$1,445,000) to the City of Santee (the “City”) to (1) acquire the Walker Property (APNs 381-160-19, 35, 42, 69, 79 & 381-171-04, 07 & 08) for the purpose of protecting, restoring and enhancing habitat and open space, and providing compatible public access and (2) evaluate, design, and permit a segment of the San Diego River Trail that will cross the property. This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for acquisition, the City shall submit for review and approval by the Executive Officer of the Conservancy (“the Executive Officer”):
 - a. All relevant acquisition documents including, but not limited to, the appraisal, agreement of purchase and sale, escrow instructions, documents of title, existing leases on the property, and a signage plan.
 - b. Evidence that sufficient funds are available to complete the acquisition.

2. The City shall pay no more than fair market value for the Walker Property, as established in an appraisal approved by the Executive Officer.
3. The City shall acknowledge Conservancy funding by erecting and maintaining signs on the property that have been reviewed and approved by the Executive Officer.
4. The City shall permanently dedicate the property for the purpose of protecting, restoring and enhancing habitat and open space, and providing compatible public access, through an appropriate instrument approved by the Executive Officer.
5. Prior to disbursement of funds for the environmental review, design and permitting, the City will submit for review and approval by the Executive Officer a work program for the project, including schedule and budget.
6. The City and any successors-in-interest shall permit the location of the San Diego River Trail. To the extent appropriate, the City shall ensure that the trail design is consistent with the Conservancy's 'Standards and Recommendations for Accessway Location and Development' and with all applicable federal and state statutes, regulations and guidelines governing barrier-free access for persons with disabilities"

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 Chapter 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resources protection and Chapter 9 regarding a system of public accessways to and along the coast. The proposed acquisition will create a link in a trail network providing access to the coast from inland areas.
3. The proposed project would serve a greater-than-local need."

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to one million four hundred forty five thousand dollars (\$1,445,000) to the City of Santee (the "City"), in partnership with the San Diego River Conservancy (SDRC), to acquire the Walker Property ("Walker Property") (Exhibit 1, Figure 1) (APNs 381-160-19, 35, 42, 69, 79 & 381-171-04, 07 & 08) on the San Diego River (the "River"). The proposed purchase of the approximately 105-acre Walker Property, with over 1.3 miles of riparian frontage along the River will be one of the largest and most significant public access and conservation acquisitions on the River to date. The purchase will provide an opportunity to complete a segment of the San Diego River Trail, to restore the River's natural hydrology and habitat, and to support the continued recovery of endangered birds in the area. This grant will provide funding for the acquisition of the Walker Property (\$1,200,000) and the design, environmental review and permitting for the segment of the Trail that will cross the property (\$245,000).

The SDRC has established a partnership to acquire, manage and restore the Walker Property with the City, Trust for Public Land (TPL), the San Diego River Coalition, U.S. Fish and Wildlife Service, Wildlife Conservation Board, and the Lakeside's River Park Conservancy. The Walker acquisition is a key component of a phased land conservation strategy led by SDRC to secure important natural habitat sites along the River for preservation, restoration, and compatible public access. Implementation of this conservation strategy will help the recovery of threatened and endangered species by building a corridor of contiguous, preserved sites supporting healthy native habitat along the River. This corridor will also be used to site the San Diego River Trail (the "Trail"), running from the headwaters of the River to the ocean. The Trail and surrounding preserved properties will form the San Diego River Park, which is being developed by SDRC and its partners.

The Walker Property contains many acres of healthy riparian vegetation and open water ponds that provide habitat for endangered, migratory, and resident birds (Exhibit 1, Figure 2 and Exhibit 2). In particular, the state- and federally-endangered least Bell's vireo (*Vireo bellii pusillus*) has been documented to use the site and the state- and federally-endangered southwestern willow flycatcher (*Empidonax traillii extimus*) is a known occupant of the River near the site of the proposed acquisition. This site is a critical piece of undeveloped river corridor that allows for birds and wildlife to transit up and down the River and to connect with nearby stretches of open space. Because of the wildlife values and habitat linkages it provides, the Walker Property is identified as a large piece of preserved land in the City's Draft Multiple Species Conservation Program (MSCP) Subarea Plan.

Although the Walker Property currently has important habitat values, there are also many opportunities for improvement. The property has been used for sand mining for the past 60 years and the hydromodifications that have resulted from these activities have adversely altered hydrology, impacted riparian habitat, and contributed to the degradation of water quality. The City and its partners will develop a plan to restore functional hydrology and riparian habitat at this site, which would provide benefits to the downstream River by improving flood capacity, water quality, and wildlife movement. The restoration plan will build from the Planning Framework and Opportunity Assessment that the City developed (Exhibit 3). Working closely with the City and SDRC, Lakeside's River Park Conservancy (LRPC), which has successfully restored and enhanced 100 acres of the River adjacent to the Walker Property, is seeking grants to implement and maintain a large-scale habitat and hydrological restoration project on the property.

In addition to seeking opportunities for hydrological and habitat improvements, the City will work with their partners to connect the Trail across the property and achieve linkages with other nearby San Diego River Park segments (Exhibit 1, Figure 3) and ultimately to the Pacific Ocean. Immediately adjacent to the Walker Property are the County of San Diego's new ball fields, which include a connection to a mile-long segment of the Trail that is funded by SDRC and constructed by LRPC (aka the Riverford Road segment). This new, one-mile segment will connect to the existing one-mile segment at Lakeside's River Park. The SDRC is also funding the construction of an additional half-mile segment at Mast Park and is negotiating an approximately one-mile segment and conservation easement through Carlton Oaks golf course (Exhibit 1, Figure 4). The SDRC's immediate goal is to complete the Trail between El Capitan Reservoir and Mission Trails Regional Park, the City of San Diego's largest regional park.

The City of Santee has demonstrated a commitment to the creation of the San Diego River Park through its activities over the last 20 years. The San Diego River Park is a primary objective of the City's General Plan (Recreation and Trails Element) and also a major component of the City's Draft MSCP Subarea Plan. These plans call for the maintenance of healthy riparian habitat, hydrological integrity, and compatible public access along the River. When completed, the City's portion of the San Diego River Park will stretch along both sides of the River across the entire length of the City (approximately six miles), covering over 300 acres. Once acquired, the Walker Property will be a major addition to the San Diego River Park. The City and its partners are committed to the long-term stewardship of the natural resources and public access opportunities at the Walker Property, as described in the Planning Framework and Opportunity Assessment (Exhibit 3).

Site Description: The San Diego River runs 52 miles from its headwaters in the Cleveland National Forest in east San Diego County, through Mission Valley and the first settlement in California at Old Town, to the Pacific Ocean at Ocean Beach (Exhibit 1, Figure 1). With a land area of approximately 440 square miles, the San Diego River Watershed is the second largest in San Diego County. It is also the most heavily populated of the county's watersheds. The Walker property is located at the approximate midpoint of the watershed in the City of Santee, adjacent to the unincorporated community of Lakeside in the County of San Diego, approximately 20 miles from the ocean.

The entire Walker property is approximately 125 acres; however this project would acquire only the eight parcels east of Magnolia Avenue, which encompass approximately 105 acres and 1.3 miles of the River (Exhibit 1, Figure 5). The property currently contains approximately 16 acres of southern riparian scrub habitat and approximately 36 acres of open water ponds (Exhibit 1, Figure 2). The ponds are the result of a long history of past and current sand mining operations. The normally shallow River was converted to ponds when water from the water table and local runoff inundated the space vacated by sand removal. These ponds are surrounded by mostly healthy riparian habitat, with some invasive, non-native vegetation present. Despite the sand mining, the property has excellent wildlife habitat values. As sand mining has been completed on the eastern parcels, the site has been reclaimed with native habitat under the guidance of a mining reclamation plan approved by the City in 1990; approximately 70 percent of the property has been reclaimed to date. The remaining area is currently used for aggregate storage, but and will also be reclaimed when the current lease expires. The reclamation plan includes a trail on the north side of the River, although the mine operator is under no obligation to build the trail. The Walker Property has an existing haul road in the approximate location of the proposed Trail on the north side of the River.

Project History: Since 2008 the Walker family has been in discussions with SDRC and TPL about the potential sale of the property in two phases for public purposes. This first phase of the acquisition would secure the eight parcels located to the east of Magnolia Ave (105 acres) and the second phase would secure the remaining three parcels (20 acres) located west of Magnolia Ave. TPL holds an Option Agreement on the parcels that are part of the current transaction (the east parcels) as they have been negotiating the transaction with the owners.

The Walker property has been in the same ownership for over 40 years and has been sand mined since the 1950s by various mining operators. Since March 1, 1970, most of the Walker property has been leased by RCP Block and Brick for sand mining and related activities. The Walker family has been especially interested in selling the east parcels, as mining is completed on that piece of the property and their remaining revenue streams consist only of leases for storage and use of the haul road. The Walker family recently renegotiated the leases with RCP for both the west and east parcels. RCP expects to mine the west parcels through 2017 and the leases for the east parcels will expire in February, 2012. It is possible that the revenues gained from the leases on the east parcels can be used to support habitat restoration and maintenance. The details of the lease agreements need to be worked out with the City and the Conservancy prior to acquiring the property.

The Walker acquisition is consistent with previous Conservancy projects on the San Diego River, including the San Diego River Trail Gaps Analysis (2010) and the San Diego River Watershed Monitoring Plan (December 4, 2008). The Gaps Analysis provided an investigation of existing and proposed segments of the Trail and the critical steps needed to fill those gaps. The Walker acquisition will fill a 1.3-mile gap identified in the Gaps Analysis. The proposed San Diego River Watershed Monitoring Program, now in development, will provide real-time data on water quality of the River, providing a baseline of information against which floodplain restoration projects can demonstrate success.

The project is consistent with the SDRC Strategic and Infrastructure Plan (2006) in that the Walker Property acquisition will address all four objectives including land conservation, recreation, natural and cultural resources preservation and water quality and flood conveyance.

PROJECT FINANCING

Coastal Conservancy	\$1,445,000
Wildlife Conservation Board (<u>USFWS § 6 grant to SDRC</u>)	\$1,000,000
Total Project Costs	\$2,445,000

The anticipated source of funds for this project is the FY 2008/2009 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). These funds may be used to “protect and restore the natural habitat values of coastal waters and lands” and “promote access to and enjoyment of the coastal resources of the state” in accordance with Division 21 of the Public Resources Code (Public Resources Code § 75060 (b)). In addition, these funds may be used to protect San Diego Bay and adjacent watersheds, as specified in Section 75060(f). The acquisition of the first phase of the Walker Property will permanently protect 1.3 miles of river habitat in the San Diego River watershed, provide opportunities for floodplain protection and restoration, and promote access to and enjoyment of the coastal resources of the state. As discussed below the project is consistent with Chapters 5.5 and 9 of Division 21.

In evaluating acquisition projects for the purpose of natural resource protection under Proposition 84, the Conservancy is directed by Section 75071 to give priority to projects that

meet one or more of the five criteria specified in Section 75071. Acquisition of the Walker Property would meet at least three of those criteria:

1. “Properties that link to, or contribute to linking, existing protected areas with other large blocks of protected habitat.” (Pub. Resources Code § 75071(a)) As discussed above, the acquisition of the Walker Property would help protect and enhance a wildlife corridor along the San Diego River, linking Lakeside’s River Park and other upstream preserves with Mast Park and Mission Trails Regional Park located downstream.

2. “Projects that contribute to long-term protection of and improvement to the water and biological quality of the streams, aquifers, and terrestrial resources of priority watersheds of the major biological regions of the state as identified by the Resources Agency.” (Pub. Resources Code § 75071(b).) The acquisition would protect the floodplain of the San Diego River, a priority watershed in Southern California.

3. “Properties for which there is a non-state matching contribution toward the acquisition, restoration, stewardship or management costs.” (Pub. Resources Code § 75071(e).) As shown above, nearly 50 percent of the acquisition costs would be funded by federal monies from a U.S. Fish and Wildlife Section 6 Recovery Grant, which the Wildlife Conservation Board administers.

As also mandated by Section 75071(f) of the bond act, Conservancy staff has submitted to the Resources Agency, and has posted on the Conservancy’s website, an explanation of how the proposed acquisitions meet the criteria established in Section 75071.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 5.5, Integrated Coastal and Marine Resources Protection (§31220), of the Conservancy's enabling legislation, Division 21 of the Public Resources Code. Section 31220(a) authorizes the Conservancy to award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31220(b), the Program will help achieve the following objectives: 2) protect and restore fish and wildlife habitat within coastal and marine waters and coastal watersheds; and 6) acquire, protect, and restore coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands. Consistent with Section 31220(a), staff has consulted with the State Water Resources Control Board and the San Diego Regional Water Quality Control Board in the development of the project to ensure consistency with the San Diego Basin Plan. As Section 31220(c) requires, the Program is consistent with local watershed plans. The water quality benefits of the project and its consistency with the local watershed plan are discussed in detail below under "Consistency with Local Watershed Management Plan/State Water Quality Control Plan."

The proposed funding authorization is also consistent with Chapter 9 (§31400-31405) of Division 21 of the Public Resources Code. 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. The proposed action will help develop public trails that will connect inland communities to the coast. Consistent with Section 31400.1, the proposed grant would provide funding to a public agency to acquire lands for public access to the coast and serve the needs of

the larger community in San Diego County and beyond. Consistent with Section 31400.2, the proposed project cost is reasonable for an acquisition and planning project of this size, the grantee does not have other available funds to complete the project, and the project is urgent because the landowners are willing to sell. Consistent with Section 31400.3, the activities supported through the recommended grant to the City are all directly related to the development and operation of a system of public accessways to and along the coast in order to meet the objectives of Division 21.

The proposed project is consistent with the SDRC's enabling legislation, Division 22.9 of the Public Resources Code, Sections 32630-32661. Consistent with Section 32633 (a) the proposed project will protect and restore wetlands and maintain and improve the quality of the waters in the San Diego River and its watershed.

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

Consistent with **Goal 1, Objective E**, the proposed project would fund the design approximately 1 mile of a river parkway trail to connect inland populations to the coast and expand recreational opportunities.

Consistent with **Goal 1, Objective G**, the proposed project would secure real property to facilitate the development of an inland trail that will connect to the coast.

Consistent with **Goal 6, Objective B**, the proposed project would preserve a portion of a coastal watershed and would contribute to the creation of a river parkway.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines 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:** This project is supported by the SDRC (consisting of elected officials from the City and County of San Diego, appointed representatives of the Governor and Legislature, and representatives of other State agencies) and Lakeside's River Park Conservancy (Exhibit 4) and has been identified on the San Diego River Coalition's annual work plan.
4. **Location:** This project is located outside the coastal zone. By working to restore watershed health and provide access to the coast, the project will benefit coastal wetlands and marine

species and will provide recreational opportunities for inland communities to connect to the coast.

5. **Need:** A portion of the Conservancy's Proposition 84 funds were designated for the SDRC's projects, and those funds are needed to complete this transaction.
6. **Greater-than-local interest:** As the site of the first European settlement in the State, the River is arguably the most historic river in California, which makes completion of the Trail and protection of the River's natural resources a statewide priority. Being centrally located in the County, the Trail will provide a recreational and educational resource to all residents and visitors of the region.
7. **Sea level rise vulnerability:** This project is not located in an area vulnerable to future sea level rise.

Additional Criteria

8. **Urgency:** The owners of the property are ready to sell and the project partners are worried that they won't wait too much longer.
10. **Leverage:** See the "Project Financing" section above.
13. **Readiness:** The grantee is ready to complete the acquisition and begin planning the Trail as soon as funding is available.
16. **Cooperation:** This project is a collaborative effort between state, federal, and local partners.
17. **Vulnerability from climate change impacts other than sea level rise:** The 52-mile long riparian corridor from coastal urban areas to less developed inland habitats will be especially important if global warming results in species moving inland and to higher elevations, as predicted by current climate change models.
18. **Minimization of greenhouse gas emissions:** Project design and trail construction methods will include measures to avoid or minimize greenhouse gas emissions to the extent feasible.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

This project is located outside of the coastal zone. However, the whole project will have a positive impact on the coastal resources located at the terminus of the San Diego River Watershed. By facilitating a project that will restore wetland habitat and river hydrology and will contribute to a healthier watershed overall, the proposed project will help to preserve the natural features and beauty of the coastline adjacent to Ocean Beach, which will satisfy the Ocean Beach Precise Plan and Local Coastal Program (LCP) addendum (adopted November 25, 1980). This document serves as the City of San Diego's certified LCP for communities within the San Diego River Watershed that fall within the coastal zone.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/
STATE WATER QUALITY CONTROL PLAN:**

The proposed project will facilitate the implementation of several recommendations from the San Diego River Watershed Management Plan (2005). These recommendations include the following:

- Restore the river and streams to their natural widths and functions wherever it is feasible.
- Seek opportunities for joint acquisitions, restoration, and management of lands where a program value is recognized.
- Develop programmatic partnerships between land-use agencies and environmental stewards that would leverage the capabilities of partners for acquisition, restoration, and management to accomplish multiple goals.

Because the project will facilitate the restoration of wildlife habitat in coastal watersheds and wetlands, it is consistent with the Water Quality Control Plan for the San Diego Basin (adopted by the San Diego Regional Water Quality Control Board in 1994 and reviewed every three years). The project will further the following beneficial use objectives:

- Warm freshwater habitat
- Cold freshwater habitat
- Wildlife habitat

The San Diego Regional Water Quality Control Board was consulted about this project and is in support of the acquisition.

COMPLIANCE WITH CEQA:

The proposed project is exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15325 in that the acquisition constitutes a transfer of ownership primarily to preserve open space and habitat. The project also is exempt under Section 15316, which exempts conveyances to establish a park where the land is in a natural condition and the management plan calls for retaining the land in a natural condition. Here, the acquisition is intended as part of the San Diego River Park, and the City of Santee's General Plan and Draft Multiple Species Conservation Program Subarea Plan propose to keep the area in a natural condition. The planning portion of the proposed project is statutorily exempt from the provisions of CEQA in that the environmental review, design and permitting activities are not yet a project as defined by Public Resources Code § 21065. This section defines a project as an activity "which may cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment...." No such activities are anticipated in the planning portion of the project. Staff will file a Notice of Exemption upon approval of the proposed project.