

COASTAL CONSERVANCY

Staff Recommendation

May 29, 2014

MISSION BAY WETLANDS CONCEPTUAL PLAN

Project No. 14-012

Project Manager: Megan Cooper

RECOMMENDED ACTION: Authorization to disburse up to \$460,000 to the San Diego Audubon Society to develop a conceptual plan for the Mission Bay wetlands.

LOCATION: Mission Bay, City of San Diego

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

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

Exhibit 2: [Site Photos](#)

Exhibit 3: [City of San Diego Plans to Restore Wetland Habitat in Proposed Planning Area](#)

Exhibit 4: [Letters of Support](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251 - 31270 and 31111 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to four hundred sixty thousand dollars (\$460,000) of Conservancy funds to the San Diego Audubon Society to be used for developing a conceptual plan for the Mission Bay wetlands. Prior to the disbursement of funds, the San Diego Audubon Society shall submit for the review and written approval of the Conservancy’s Executive Officer a work program, including budget and schedule, and any contractors to be employed for these tasks.”

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 authorization is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources, and with Section 31111 of the

Public Resources Code, regarding grants to nonprofit organizations to undertake plans and feasibility studies.

2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
 3. The San Diego Audubon Society is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Service, and whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

Staff recommends that the Conservancy authorize the disbursement of up to four hundred sixty thousand dollars (\$460,000) of Conservancy funds to the San Diego Audubon Society (SDAS) to be used for developing a conceptual plan (the “Plan”) for the Mission Bay wetlands. This Plan will develop approaches to protect and enhance 40 acres of existing tidal wetland habitat and for the restoration of approximately 130 acres of wetland and upland habitat on a site that was once wetland, but was filled to create an RV campground. Enhanced public access for research, education, and passive recreation will be another significant focus of the planning effort.

As in much of Southern California, wetlands in Mission Bay have been drastically altered and destroyed over the past 200 years (see Exhibit 1, Figure 3). Approximately 5 percent of the historic wetlands (i.e., salt marsh, mudflat, salt pan) in Mission Bay remain today. This system-wide destruction has left much of Mission Bay without the functional benefit of wetlands to provide sediment trapping, nutrient uptake, and habitat/cover for native biota. Anticipated sea-level rise poses a significant threat to the remaining wetlands, since little transitional habitat is available for migration. The planning area is the most likely area in Mission Bay where wetlands and their associated ecosystem processes can be recovered. In addition to the wetland habitat, the planning area also includes areas that could be restored to native upland habitats, areas for upslope marsh migration as sea levels rise, and public recreation and education opportunities (see Exhibit 2).

The Kendall-Frost marsh is the last remaining salt marsh habitat in Mission Bay. When the adjacent wetlands were filled with dirt and soil in 1967 to build Campland on the Bay (“Campland”), Kendall-Frost was cut-off from Rose Creek, its historic source of marsh-sustaining freshwater, sediment and nutrients. As a small, fragmented habitat, Kendall-Frost is suffering the negative ongoing results of edge effects, although it still supports one of the few remaining habitat sites in California for the federally-listed endangered Light-footed Clapper Rail and state-listed Belding’s Savannah Sparrow.

It has been the City of San Diego’s policy to explore the restoration of salt marsh habitat in the area adjacent to Kendall-Frost for 36 years, starting with the Mission Bay Park Master Plan (1978). However, the City of San Diego (“the City”) has not initiated a public planning process with this focus, likely because of funding and staffing shortfalls, and conflicting priorities. Localized factors make the timing of the proposed planning effort particularly auspicious. Properties within this site are designated State tidelands within the coastal zone, which limits private uses to leases granted by the City. A key lease at Campland on the Bay (“Campland”)

will expire in 2017 and the City will need to decide soon what to do with these State tidelands. Another lease on State tidelands expired in 2003 at De Anza Point (aka Mission Bay RV Resort). This Plan will provide the City and the surrounding communities with a vision of the ecological restoration and public access that could be possible on the Campland property, as an alternative to a lease renewal for the RV Park, and possibly on portions of the De Anza Point property. And although the City hasn't initiated this planning process, most of the areas for the proposed Plan are City-designated restoration areas or "special study" areas (see "Site Description" below). Furthermore, the recently elected Mayor of San Diego listed the expansion of Mission Bay's wetlands as one of his top priorities (see Required Criteria #3).

The specific tasks for this funding authorization include developing a working group and a technical advisory group, identifying existing and historical conditions, preparing goals and objectives, identifying opportunities and constraints, developing a range of restoration alternatives, and conducting stakeholder outreach. Community outreach and engagement will be a major part of this planning process because the involvement of the neighboring communities will be critical to the success of the Plan. The wetland working group and/or technical advisory group will consist of representatives from relevant departments within the City, the operator of Campland, community groups representing neighbors and other interested parties, resource and regulatory agencies, academics and other technical experts. The final product will be a written Plan with at least three feasible conceptual restoration alternatives that will be appropriate and sufficiently robust for environmental analysis (CEQA/NEPA) as part of a subsequent phase.

Founded in 1948, the San Diego Audubon Society (the grantee) has served the San Diego region for over 60 years. Its mission is to foster the protection and appreciation of birds, other wildlife, and their habitats, through education and study, and advocate for a cleaner, healthier environment. The grantee has been restoring sensitive dune and salt marsh habitats, and maintaining California least tern nesting sites in Mission Bay for over 20 years. It has a skilled team of staff dedicated to the proposed planning effort, and a working Board made up of highly respected and influential scientists and community members. This fiscal year, the grantee will host approximately 25 habitat maintenance/restoration volunteer events and will manage approximately \$400,000 in grants and other funding.

Site Description: The planning area encompasses approximately 270 acres in the northeast corner of Mission Bay, San Diego surrounding the mouth of Rose Creek (see Exhibit 1). There is approximately 170 acres of existing or potential habitat within this planning area. The habitat areas include the 40-acre Kendall-Frost Marsh Reserve ("Kendall-Frost"), which includes the City's 24-acre Northern Wildlife Preserve and UCSD's 16-acre Kendall-Frost Marsh. Adjacent to Kendall-Frost is the 3-acre Frost parcel, which is an upland area with limited habitat function owned by the City of San Diego. The entire Kendall-Frost area is operated by UCSD as a Natural Reserve. Kendall-Frost has been the site of important research on wetland ecosystems and educational activities for almost 50 years. The potential habitat area also includes the 50-acre Campland site, which was identified as a wetlands restoration area by the City of San Diego in the Mission Bay Master Plan (see "Project History" section below). The 80-acre De Anza Point is also considered potential habitat area. De Anza Point was identified as a "special study area" by the Mission Bay Natural Resources Management Plan (1995). The City is currently in the process of relocating the residents of the De Anza Point RV Park, but this relocation process

is in litigation. Both De Anza Point and Campland are only open to residents or campers, guarded by gates and security guards, and are not readily open to the public. In addition to the potential habitat areas, the planning area also encompasses approximately 100 acres of active recreation area owned by the City, including a public golf course.

The planning area includes protected salt marsh habitat, as well as disturbed and urbanized areas. Portions of the planning area are included in the South Coast unit of the Natural Community Conservation Planning (NCCP) Multiple Species Conservation Plan for San Diego County and the San Diego Multiple Habitat Conservation Program (MHCP) plan. Mission Bay Park has been identified as a Globally Important Bird Area by Birdlife International and the National Audubon Society.

Project History: The proposed Plan would further the implementation or recommendations of the Mission Bay Park Master Plan (1978), the Mission Bay Natural Resources Plan (1990), the Mission Bay Master Plan Updates (1994 and subsequent), the USFWS’s Light-footed Clapper Rail Recovery Plan (1985), and the Rose Creek Watershed Opportunities Assessment (2008). The need to develop a plan for restoration of the area around the mouth of Rose Creek was first identified 36 years ago in the Mission Bay Park Master Plan (1978). The 1978 Mission Bay Park Master Plan states that "consideration should be given to adding this area [Campland lease] to the Northern Wildlife Reserve upon termination of the lease [2017]." The Mission Bay Park Natural Resources Management Plan (1990) builds on the intentions of the original Master Plan and says, "From a resource management perspective, eastern and western expansion of the Northern Wildlife Preserve salt marsh has a high priority. Such expansion would broaden the base for all of Mission Bay Park's natural resources in the face of urban pressure and future threat of rising sea level." The Natural Resources Management Plan identified Campland as "possible salt marsh addition" (see Exhibit 3). The concept of marsh restoration was furthered in the Mission Bay Park Master Plan Update (2002). The Master Plan Update states: "An 80-acre saltwater marsh is proposed west of Rose Creek adjacent to the existing Northern Wildlife Preserve. This recommendation requires the relocation of the Recreational Vehicle Park (Campland on the Bay), possibly to the east side of the Creek as a potential use in the proposed De Anza Special Study Area" (see Exhibit 3). The Master Plan update also identified Campland as future "wetland habitat". Additional City planning included the Rose Creek Opportunities Assessment (2005), which was funded by the Conservancy in 2005. This Opportunities Assessment identified restoration of the wetlands at the mouth of Rose Creek as the top biological priority for the watershed. On October 21, 2008 the City approved the Opportunities Assessment as official City policy guidance for the restoration of Rose Creek.

PROJECT FINANCING

Coastal Conservancy	\$430,000
<u>U.S. Fish and Wildlife Service</u>	<u>\$25,000</u>
Project Total	\$455,000

The expected source of Conservancy funds for this project 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, Public Resources Code sections 75001 et seq.). This funding source may be used for the protection of coastal watersheds in San Diego County. Proposition 84 allows for the utilization of funds for expenditures pursuant to Division 21 of the Public Resources Code, as specified in Section 75060(b), and for projects that protect San Diego Bay and adjacent watersheds, as specified in Section 75060(f). As specified in Section 75072.6, for purposes of Section 75060(f), "San Diego Bay and adjacent watersheds" includes the coastal and bay watersheds within San Diego County. Pursuant to Section 75060(b), funds may be allocated to the improvement and protection of coastal and marine water quality and habitats, so long as the project is compliant with Division 21 of the Public Resource Code.

The U.S. Fish and Wildlife Service will contribute money from their Coastal Program for a portion of the plan. Their contribution of \$25,000 represents 30% of the Coastal Program's annual budget, indicating the importance of this planning effort to their strategic goals.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resource Code Sections 31251-31270, and pursuant to Section 31111.

Consistent with Section 31251 of the Public Resources Code, the proposed project would award a grant to a nonprofit organization to undertake activities necessary for the enhancement of the natural and scenic character of Mission Bay, which has been impacted by indiscriminate dredging and filling, improper location of improvements, human-induced events, and incompatible land uses and has suffered the loss of natural and scenic values. This project will provide studies and plans necessary to restore and enhance the biological and hydrological resources of Mission Bay.

As required in Section 31252, the proposed project has been identified in the City of San Diego's Local Coastal Program as described in the "Consistency with Local Coastal Program Policies" section, below.

Section 31253 permits the Conservancy to provide up to the total cost of any coastal resource enhancement project, consistent with established project eligibility and priority factors. 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".

Section 31111 permits the Conservancy to award grants to nonprofit organizations for the purpose of funding and undertaking plans and feasibility studies.

CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 5, Objective A** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will develop a plan for the restoration and enhancement of coastal habitats.

**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 November 10, 2011, 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:** During his election campaign, the recently elected Mayor of the City of San Diego said, "In coming years, the City will use Mission Bay Initiative revenue to expand Mission Bay's wetlands, improve water quality, expand endangered species habitats, improve bicycle and pedestrian paths and restore parts of the seawall. Kevin [Faulconer] believes this is a prime example of what we can achieve when City Hall, businesses, and residents work in unison towards a common goal." The City will be an integral part of the wetland working group and/or technical advisory committee, which will lead the development of the Plan. City council members, State elected officials, community groups and scientists also support the project. See Exhibit 4 for evidence of support.

Although there is enthusiastic support for the project, there will also be those who are concerned about it. The Campland operators would like to stay on the site until their relocation to the nearby De Anza Point has been secured. Some nearby residents might be concerned about flooding issues connected with reconfiguring the hydrology of the area. And the residents of De Anza Point will be concerned about planning surrounding their community. The grantee will incorporate concerns such as these into the Plan through an extensive community outreach and engagement process where all concerned citizens will be invited to engage.

4. **Location:** The proposed project would be located within the coastal zone of the City of San Diego.
5. **Need:** The timing of this Plan is critical. The lease for the Campland property expires in 2017. Without a plan for the restoration of the site, it is possible that the City will extend Campland's lease and that the restoration project will become impossible for a long period of time. The Conservancy's funds will provide the initial investment that will enable future investments in engineering and construction.
6. **Greater-than-local interest:** Mission Bay Park encompasses about 4,200 acres and about 27 miles of shoreline and beaches. It is said to be the largest "aquatic park" of its kind in the country and it attracts millions of visitors each year. Restoring wetlands in Mission Bay would provide visitors with enhanced opportunities to experience the natural environment that once occurred throughout Mission Bay. In addition, the tidal wetlands of Southern California are part of a large mosaic that functions as an interconnected system. The

restoration of Mission Bay's wetlands will provide an expanded migratory bird stopover area, a source for seed and larvae, habitat for State and Federal threatened and endangered species, and improvements in water quality.

7. **Sea level rise vulnerability:** The planning area is located in an area that is vulnerable to future sea level rise. The conceptual plan will consider a range of sea level rise scenarios for the years 2050 and 2100 in order to assess project vulnerability and, to the extent feasible, reduce expected risks and increase resiliency to sea level rise. The restoration of wetlands in the planning area would provide wetland species with upland migration areas and could also reduce flooding impacts on surrounding infrastructure by buffering waves and tides.

Additional Criteria

8. **Urgency:** The timing of this Plan is critical. The lease for the Campland property expires in 2017. Without a plan for the restoration of the site, it is possible that the City will extend Campland's lease and that the restoration project will become impossible for a long period of time.
9. **Resolution of more than one issue:** The Plan would help resolve multiple issues such as habitat availability, endangered species management, water quality and sea level rise. In addition, it would also help resolve remaining land-use issues within the planning area regarding recreation and visitor-serving amenities.
10. **Leverage:** See the "Project Financing" section above.
11. **Conflict resolution:** There is currently a conflict between Campland, De Anza Point, the City of San Diego, and the environmental community over how the land in the planning area should be used. The proposed Plan would present feasible options for restoration of some parts of the planning area so that discussions could proceed about where recreation and visitor-serving amenities should be placed within the area.
13. **Readiness:** The grantee and its partners are ready to start the project immediately.
14. **Realization of prior Conservancy goals:** See "Project History" above. In addition, the proposed Plan was added to the Work Plan for the Southern California Wetlands Recovery Project (WRP) in 2013, which is a prioritized list of projects for Southern California that has been vetted by the 18 member agencies of the WRP.
18. **Minimization of greenhouse gas emissions:** The project design will include measures to avoid or minimize greenhouse gas emissions to the extent feasible and consistent with the project objectives.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The Mission Bay Park Master Plan Update (1994, as amended) serves as the City of San Diego's Local Coastal Program (LCP) for the area the proposed planning area. The proposed Plan is consistent with the recommendations of this LCP. See "Project History" above for more information on the consistency of the proposed Plan with the Mission Bay Park Master Plan Update.

COMPLIANCE WITH CEQA:

The proposed project is statutorily exempt from the provisions of CEQA under 14 California Code of Regulations, Section 15262 exempting feasibility studies for possible future actions that the Conservancy has not approved, adopted or funded and which do not require preparation of an EIR or negative declaration. Staff will file a Notice of Exemption upon approval of the proposed authorization.