

COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

SCOTT CREEK COASTAL RESILIENCY PLANNING

Project No. 23-016-01
Project Manager: Hilary Hill

RECOMMENDED ACTION: Authorization to disburse up to \$864,000 to the Resource Conservation District of Santa Cruz County to lead the Scotts Creek Technical Advisory Committee and provide technical assistance to Caltrans on preparation of environmental review and permit applications for the Scott Creek Coastal Resiliency project, consisting of restoration of approximately 25 acres of Scott Creek Lagoon and marsh and replacement of the Highway 1 bridge at Scott Creek Lagoon in Santa Cruz County.

LOCATION: Scott Creek Lagoon, northern Santa Cruz County

EXHIBITS

- Exhibit 1: [Project Location Map](#)
Exhibit 2: [Photos and Preliminary Project Designs](#)
Exhibit 3: [Project Letters](#)
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RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed eight hundred sixty four thousand dollars (\$864,000) to the Resource Conservation District of Santa Cruz County (“the grantee”) to lead the Scotts Creek Technical Advisory Committee and provide technical assistance to Caltrans on preparation of environmental review and permit applications for the Scott Creek Coastal Resiliency project, consisting of restoration of approximately 25 acres of Scott Creek Lagoon and marsh and replacement of the Highway 1 bridge at Scott Creek Lagoon in Santa Cruz County.

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

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.

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 3 (Section 31113) of Division 21 of the Public Resources Code, regarding the impacts of climate change.
 2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
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STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a \$864,000 grant to the Resource Conservation District of Santa Cruz County (RCD) to lead the Scotts Creek Technical Advisory Committee and provide technical assistance to the California Department of Transportation (Caltrans) on preparation of environmental review and permit applications for the Scott Creek Coastal Resiliency project in northern Santa Cruz County. The Scott Creek Coastal Resiliency project is a Caltrans project that is an integrated ecosystem and infrastructure project that will both 1) restore 25 acres of Scott Creek Lagoon and marsh, and 2) replace the Highway 1 bridge at Scott Creek Lagoon, to maximize the climate resilience of the highway and the ecological function and climate resilience of the ecosystem. Caltrans has requested the assistance of the RCD, which has the expertise needed for the ecosystem components of the project.

The Scott Creek Coastal Resiliency project is identified as the highest priority in Santa Cruz County for recovery of the endangered central coast coho salmon. Highway 1 has dramatically impacted the Scott Creek Lagoon ecosystem due to significant alterations made during the construction of Highway 1. Nearly 1,200 feet of fill was placed between the lagoon and Scott Creek Beach, and Scott Creek was straightened and leveed to pass through a narrow 163-foot bridge. These actions have significantly constrained a once-dynamic estuarine ecosystem and degraded its habitat and natural functions. Highway 1 in this corridor is also highly vulnerable to the impacts of climate change, as it is vulnerable to overtopping and erosion from high creek flows and sea level rise. Nearly 1,000 linear feet of the roadway has required emergency placement of rip-rap due to erosion and the bridge is nearing the end of its serviceable life and needs replacement. This portion of Highway 1 also has unsafe conditions for drivers, cyclists, and pedestrians, due to deficient shoulder width, short stopping sight distance and significant grade; a substandard bike lane; and limited parking for the high volume of beachgoers that visit popular Scott Creek Beach.

The Scott Creek Coastal Resiliency project will address these pressing needs, achieving significant restoration of the Scott Creek Lagoon ecosystem while also upgrading critical transportation infrastructure to increase its resiliency to climate change. The Scott Creek

Coastal Resiliency project will replace the existing 163-foot Highway 1 bridge with a 1,000 to 1,500-foot full-span bridge, which will create room for a mosaic of coastal habitats, including the lagoon and dunes, to adapt to changing conditions. Scott Creek Lagoon's habitat and hydraulic function will further be restored by removing fill, which was placed during Highway 1 construction; re-aligning the creek from its current channelized configuration to increase its length and allow it to naturally meander; and increasing areas of deep, slow water environments within the estuary. These restoration actions will expand and improve feeding, breeding, and refuge habitat for multiple listed species including the federally and state endangered coho salmon, federally threatened steelhead, federally endangered tidewater goby, and federally threatened California red-legged frog. A new bridge will also improve the resiliency of this transportation corridor, as the roadway will no longer rely on emergency rip-rap to protect it; the bridge will have a significantly higher deck to reduce its vulnerability to overtopping; and the bridge and roadway alignment will be shifted inland to accommodate future sea level rise and coastal erosion. In addition, safer parking will be created for public access to Scott Creek Beach; and installation of a separated bike lane along the highway will improve safety for riders utilizing this corridor.

This proposed authorization will advance planning of the Scott Creek Coastal Resiliency project, by enabling the RCD to assist Caltrans with completion of environmental review and permit applications. Caltrans will lead the environmental review process for the integrated project (comprised of both the restoration and infrastructure elements) and is providing \$4,500,000 in funding. Conservancy funding will go to the RCD to provide technical assistance to Caltrans through the environmental review process and preparation of permit applications, as the RCD has significant experience working on restoration projects. This planning process is unique in that instead of a typical transportation project that starts from designing a new bridge and determining what biological mitigations are necessary, the ecological needs of the Scott Creek Lagoon ecosystem were evaluated and determined first. This project models a new paradigm where infrastructure design is predicated on understanding and addressing ecological resource needs, resulting in enhanced resiliency of both ecosystems and infrastructure.

The project has been developed to date through the direction and cooperation of a large Technical Advisory Committee (TAC), made up of technical experts, resource managers, and permitting staff; and with the proposed authorization, the RCD will continue to lead robust TAC engagement to ensure continued collaboration and the success of the project. Many resource agencies, including the National Marine Fisheries Service, have identified the urgency of completing this project for the recovery of coho salmon, and the proposed authorization will ensure planning of the project can continue as quickly as possible and with robust TAC engagement.

Site Description: Scott Creek Lagoon is a bar-built estuary located along Highway 1 in northern Santa Cruz County, approximately 2.5 miles north of the unincorporated town of Davenport. Scott Creek Lagoon is owned by Swanton Pacific Ranch, a 3,200 acre living laboratory affiliated with California Polytechnic State University, San Luis Obispo (Cal Poly). The Ranch is a teaching and research facility for agriculture, including silviculture and ranching. Cal Poly graduate students have contributed to ecological research at Scott Creek.

The Scott Creek Lagoon and marsh complex is approximately 25 acres in size and is located where the Scott Creek watershed within the Santa Cruz Mountains drains to the Pacific Ocean. The Scott Creek watershed has been designated by the National Marine Fisheries Service as critical to the recovery of both coho salmon and steelhead and is one of two remaining watersheds within the Santa Cruz Mountains to support both juvenile and adult coho salmon. Scott Creek Lagoon supports populations of other threatened and endangered species including tidewater goby and California red-legged frog. Scott Creek Beach is adjacent to the lagoon and is a popular destination for surfers and beach visitors. The 10-acre beach is owned and managed by the Santa Cruz County Parks Department and supports habitat for the threatened western snowy plover.

Highway 1 crosses over Scott Creek Lagoon and is a critical transportation corridor linking the City of Santa Cruz in the south to Half Moon Bay in the north. Due to the highway construction in 1936, the natural function of Scott Creek Lagoon and its associated coastal resources have been severely degraded. Straightening and constriction of the creek channel has significantly constrained a previously dynamic estuarine and dune ecosystem. Scott Creek Lagoon now suffers from poor water quality as the channelization of the creek substantially decreased the total volume of water three to four times smaller than what was historically stored during annual filling and breaching cycles. These changes have had a deleterious effect on juvenile salmonids and other aquatic species that rely on the lagoon for feeding and refuge.

The Highway 1 bridge at Scott Creek Lagoon is currently exhibiting vulnerability to erosion and overtopping and has required emergency rip-rap to arrest storm erosion. The bridge has a low deck elevation and although designated by Caltrans as in fair condition, is exhibiting signs of distress. This portion of Highway 1 is also deficient in terms of shoulder width, stopping sight distance and grade; contains limited parking; and has a substandard bike lane, creating unsafe conditions for cyclists, pedestrians and drivers alike.

Grant Applicant Qualifications: The Resource Conservation District of Santa Cruz County (RCD) has a long and proven track record managing public funds for conservation benefits on the ground. Of the RCD's \$3.5M annual revenue, the vast majority comes from grants, and as such, the RCD has significant experience receiving grants from Federal, State and other sources. The RCD has successfully implemented ten grants from the Conservancy within the last ten years, and has demonstrated expertise in all aspects of grant management, including contracting, project implementation, permitting, invoicing, and reporting.

The RCD has successfully administered grants supporting prior phases of the Scott Creek Coastal Resiliency project, including a \$435,000 grant from the Wildlife Conservation Board and a \$409,000 grant from the California Department of Fish and Wildlife (CDFW). The RCD has effectively demonstrated their capacity to successfully and efficiently administer programs across multiple partners and with interagency collaboration, such as the Conservancy-funded Integrated Watershed Restoration Program and Regional Forest and Fire Capacity Program.

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.

Providing funds for the Scott Creek Coastal Resiliency Project is a good investment of state resources because it supports state and national priorities for ecosystem and infrastructure resilience. The project is identified as the #1 priority for Central Coast Coho salmon recovery (NOAA Fisheries: Nationwide Species in the Spotlight: 2016-2020). In addition, the Highway 1 bridge over Scott Creek is identified as a Tier 1 priority in the Caltrans 2021 District 5 Climate Adaption Priorities report.

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

The proposed project will enable the beach, dune, lagoon, and marsh system at Scott Creek to evolve and adapt with sea level rise, by removing infrastructure currently constraining the ecosystem. The beach at Scott Creek will be less vulnerable to "beach squeeze" which is caused by the highway impeding the ability of the beach and dunes to migrate inland; and thus Scott Creek Beach will continue to be accessible for public recreation. Creation of deep, slow water environments within Scott Creek Lagoon will increase the resiliency of several federally and state endangered species to withstand drought and warm temperatures. Finally, resiliency of the Highway 1 transportation corridor will be improved as the new bridge and roadway will no longer be vulnerable to extreme flooding or erosion events.

4. Project delivers multiple benefits and significant positive impact.

The Scott Creek Coastal Resiliency project will deliver a suite of benefits including:

- Ecological restoration of the Scott Creek lagoon ecosystem, including habitat for threatened and endangered species including coho, steelhead, tidewater goby, and California red-legged frog;
- Protection of critical transportation infrastructure of Highway 1 by replacing a vulnerable bridge and roadway with a resilient design;
- Increased resilience of Scott Creek Beach to adapt to sea level rise, to support the availability of beach recreation for visitors;
- Improved safety for drivers, pedestrians, and cyclists;
- Enhanced public coastal access to Scott Creek Beach through new parking facilities.

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

Progress to date on the Scott Creek Coastal Resiliency Project has been achieved through broad and long-standing support from all relevant resource and transportation agencies that form the project’s Technical Advisory Committee (TAC), which includes technical experts, managers, and permitting staff from Caltrans, the Santa Cruz County Regional Transportation Commission, U.S. Fish and Wildlife Service, National Marine Fisheries Service, NOAA Science Center, CDFW, Coastal Commission, Coastal Conservancy, Central Coast Regional Water Quality Control Board, U.S. Army Corps of Engineers, Santa Cruz County, and Cal Poly’s Swanton Pacific Ranch, as well as local experts. The level of community support and collaboration is evidenced by letters of support for the project (Exhibit 3).

PROJECT FINANCING

Coastal Conservancy	\$864,000
California Department of Transportation (Caltrans)	\$4,500,000
Project Total	\$5,364,000

The project total shown above is the estimated cost to complete the environmental review and permit applications for the Scott Creek Coastal Resiliency Project. Conservancy funding is anticipated to come from a Fiscal Year 2022/23 appropriation from the Greenhouse Gas Reduction Fund (GGRF) to the Conservancy for the Climate Ready program for purposes of nature-based projects that address sea level rise (Budget Act of 2022, as amended by AB 178, Chapter 45, Statutes of 2022). The Greenhouse Gas Reduction Fund Investment Plan and Communities Revitalization Act (Health and Safety Code (HSC) Sections 39710 – 39723) requires that GGRF funds be used to (1) facilitate the achievement of reductions of Greenhouse Gas (GHG) emissions consistent with the Global Warming Solutions Act of 2006 (HSC Sections 38500 *et seq*), and (2) to the extent feasible, achieve other co-benefits, such as maximizing economic, environmental and public health benefits and directing investment to disadvantaged communities (HSC 39712(b)). The Global Warming Solutions Act of 2006 sets forth (among other things) certain GGRF funding priorities (HSC Section 38590.1). The California Air Resources Board (“CARB”) has adopted guidelines that establish program goals that agencies must achieve with their GGRF funds.

Consistent with the CARB 2018 Funding Guidelines, the proposed project will help the Conservancy meet its GGRF program goals because the project will:

- Facilitate GHG emission reductions (which includes carbon sequestration) and further the purposes of AB 32 and related statutes: Restored wetland habitat at Scott Creek Lagoon will facilitate carbon sequestration.
- Benefit Priority Populations (disadvantaged communities, low-income communities, or low-income households): The proposed project is located in a low-income community, as identified on CARB’s California Climate Investments Priority Populations 2022 map and will create a more resilient transportation corridor within this community.
- Maximize economic, environmental, and public health co-benefits to the State: See “Consistency with Conservancy Project Selection Criteria” section above.

- Foster job creation and job training, wherever possible: The project is expected to support over 50 local jobs over multiple years during construction.
- Leverage funds to provide multiple benefits and to maximize benefits: See below.

California Department of Transportation (Caltrans) has approved \$4,500,000 in funding for the proposed project to fund Caltrans costs of the environmental review phase. This funding is from Caltrans’s State Highway Operation and Protection Program (SHOPP). Funding for SHOPP projects derive from a mixture of Federal and State sources of funding.

Unless specifically identified as “Required Match,” match funding 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 authorization is pursuant to Section 31113 of Chapter 3 of Division 21 of the Public Resources Code, which authorizes the Conservancy to address the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction (Section 31113(a)). Section 31113(b) and (c) authorizes the Conservancy to award grants to nonprofit organizations and public agencies to undertake projects that reduce greenhouse gas emissions and address extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. The Conservancy must, to the extent allowed, prioritize projects that maximize public benefits and accomplish one of several purposes, including preserving and enhancing coastal wetlands and natural lands.

Consistent with these requirements, the Scott Creek Coastal Resiliency project will reduce the threat of sea level rise on infrastructure of Highway 1 and enhance 25 acres of natural lands at Scott Creek lagoon and marsh. Section 31113 also requires the Conservancy to prioritize projects that use natural infrastructure to help coastal communities adapt to climate change and projects that provide multiple public benefits, including, but not limited to, protection of communities, natural resources, and recreational opportunities. See Section 31113(d)(1). Replacing the existing Highway 1 bridge with a full-span bridge will allow for nature-based adaptation to occur, rather than utilizing hardened infrastructure to protect the highway. The Scott Creek Coastal Resiliency project provides multiple public benefits as described in “Consistency with Conservancy’s Project Selection Criteria” section above.

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

Consistent with **Goal 3.2**, the recommended grant will result in plans for a habitat restoration project at Scott Creek Lagoon.

Consistent with **Goal 4.1**, the recommended grant will result in plans for a sea level rise adaptation project for the Highway 1 bridge at Scott Creek Lagoon.

CEQA COMPLIANCE:

The recommended authorization is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15262, because it involves funding only feasibility and planning studies for possible future actions not yet funded by the Conservancy. The recommended authorization is also categorically exempt pursuant to Section 15306 because it will fund data collection and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. Consistent with Section 15262, the project will consider environmental factors in the plan development and permit applications.

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