

COASTAL CONSERVANCY

Staff Recommendation  
November 30, 2023

**TORO CREEK COUNTY PARK ACQUISITION- PHASE II**

Project No. 18-031-02  
Project Manager: Timothy Duff

**RECOMMENDED ACTION:** Authorization to disburse up to \$1,500,000 to the Cayucos Land Conservancy to acquire and transfer to San Luis Obispo County 748 acres of land for addition to Toro Creek County Park located between Morro Bay and Cayucos in San Luis Obispo County.

**LOCATION:** Chevron Estero Marine Terminal, between Morro Bay and Cayucos in unincorporated San Luis Obispo County.

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EXHIBITS

- Exhibit 1: [Project Maps](#)  
Exhibit 2: [Project Photos](#)  
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 one million five hundred thousand dollars (\$1,500,000) to Cayucos Land Conservancy (“the grantee”) to acquire and transfer to San Luis Obispo County 748 acres of land for addition to Toro Creek County Park located between Morro Bay and Cayucos in San Luis Obispo County, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):
  - a. All relevant acquisition documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, deed, escrow instructions, environmental or hazardous materials assessment, and title report;
  - b. A baseline conditions report; and

- c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
3. The property acquired under this authorization shall be managed and operated to protect open space and wildlife habitat and to provide public access consistent with these purposes. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly-viewable area, the design and location of which are to be approved by the Executive Officer.

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 5.5 of Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection.
1. The proposed project is consistent with the current Conservancy Project Selection Criteria.
2. The Cayucos Land Conservancy is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

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## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY:**

Staff recommends granting up to \$1,500,000 to the Cayucos Land Conservancy to acquire and transfer to San Luis Obispo County 748 acres of land (the property) located between Morro Bay and Cayucos in San Luis Obispo County (Exhibit 1) for addition to Toro Creek County Park for purposes of protecting open space and wildlife habitat and to provide public access.

Conservancy funding for the acquisition is a General Fund appropriation specifically identified for the Cayucos Land Conservancy for this acquisition. The property will be transferred immediately to the County in a “back-to-back” transaction prior to the close of escrow.

The property and surrounding 3,000 acres of Chevron Estero Marine Terminal lands have been owned and managed by Chevron since 1929 for the purposes of conveying and storing petroleum products. The terminal stored and loaded crude oil from the Central Valley to large ocean tankers that anchored offshore between Cayucos and the City of Morro Bay. When the terminal ceased operations in 1999, Chevron began the process of retiring the facilities. Over the past decade they have subdivided portions of their land holdings and sold off several parcels for estate home development. The property comprises four legal parcels. The proposed acquisition will eliminate the potential for development of at least four residential homesites plus secondary homes for agricultural housing and associated support infrastructure.

The proposed acquisition is the second phase of a three-phase project envisioned by the local community to preserve approximately 1,400 acres of the Chevron Estero Marine Terminal lands as a county park. Once complete, Toro Creek County Park is expected to include opportunities for hiking, beach access, and low-cost camping. The first phase of this vision was completed in 2020 with Conservancy funding and provides public bluff and beach access. The phase two property is located south of phase 1, separated by the property that will eventually be part of the phase 3 acquisition (Exhibit 1, page 2). The phase two property is expected to provide opportunities for hiking. The third phase is expected to be completed within the next several years. It will connect phases 1 and 2 and create opportunities to provide low-cost camping.

The proposed acquisition will permanently prohibit all future residential and commercial development and protect water resources and habitats within the Toro Creek and Alva Paul watersheds, two creeks that drain to the coast (Exhibit 1, page 4). The project will provide public access to the property's outstanding coastal views (Exhibit 2). The property borders a city park in Morro Bay developed with accessible parking, restroom, and trail facilities that will serve as the entry point to the new park (Exhibit 2, pages 3-4). An existing network of ranch roads and maintenance trails will further facilitate the county's goal to manage the property as a public park that will enable public access while also protecting open space and natural resources. The County intends this addition to their park to be opened to the public once they have completed the necessary planning, permitting, and compliance with the California Environmental Quality Act, and once they have secured the funds to construct and operate the trail improvements.

The acquisition will also serve to expand the network of protected lands in the region known as the La Panza Range – San Geronimo Corridor, an important wildlife corridor that traverses a significant portion of coastal San Luis Obispo County (Exhibit 1, page 5). This corridor connects thousands of acres of public and private protected lands between San Luis Obispo and the Monterey County line, including several large private ranch properties protected by conservation easements funded by the Conservancy and other state agencies.

The County of San Luis Obispo, City of Morro Bay, and a coalition of nonprofit partners including the grantee, Land Conservancy of San Luis Obispo County, Trust for Public Land, and Morro Open Space Alliance, came together in 2018 with a vision for the Chevron lands that sought to protect open space and wildlife habitats, preserve the area's scenic viewshed, and provide public access where appropriate. This vision was presented to and embraced by Chevron, and the coalition began working toward these goals. Tribal consultation letters were sent on May 16, 2023. Conservancy staff provided additional information on the project in response to the one request that was received.

**Site Description:** The property is zoned Agriculture and lies mostly within unincorporated San Luis Obispo County along the north coastal region of San Luis Obispo County, on the east side of Highway One between Morro Bay and Cayucos in unincorporated San Luis Obispo County (Exhibit 1). Located to the northwest of the property is the County's existing Toro Creek County Park property acquired with Conservancy funds in 2019. Today the property is solely used for grazing. The majority of the property is comprised of grassland intermixed with coastal scrub with pockets of oak woodland. Areas of riparian habitat featuring coast live oak, western

sycamore, and black cottonwood are located along the upper reaches of Alva Paul Creek, a seasonal creek that bisects the property. Habitat for the California red-legged frog and southwestern pond turtle is also found along the creek's upper reaches. Dominant native plant species mixed in the coastal scrub habitat include coyote brush, sticky monkey flower, and California sagebrush. The property's large open grassland and coast live woodland areas support a large population of deer, mountain lion, and bobcat. Due to historic and ongoing grazing activities the property's grasslands are dominated by non-native grasses and weedy annual forbs. Native species are mixed in with the nonnative annual grassland habitat, including purple needlegrass California brome, blue-eyed grass, rare club-haired Mariposa lily, and California poppy. Other than fencing and gates for past cattle grazing activities there are no structures or infrastructure on the property.

**Grant Applicant Qualifications:** Established in 1999, the Cayucos Land Conservancy is accredited by the Land Trust Accreditation Commission and has completed a variety of conservation easement and fee title acquisitions along the north coast of San Luis Obispo County. They raised nearly \$1 million in private local money for the first phase of the Toro Creek County Park acquisition in 2019. The Land Conservancy of San Luis Obispo County will be assisting the Cayucos Land Conservancy and has an outstanding record working with the Coastal Conservancy over the past three decades on numerous acquisition projects.

**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 to acquire the 748-acre property is a good investment of state resources because it will contribute to meeting the state's biodiversity goals as outlined in the Strategic Land Acquisition section of the Governor's 30 x 30 Executive Order. The project will also enable future public access to an expanded Toro Creek County Park, which serves the low-income community of Morro Bay. Conservation of these lands will also protect California red-legged frog, a federally threatened species. The project has the support of local and state agencies and legislators (Exhibit 3).

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

The proposed project will permanently protect the property from development, provide public access, and enhance regional climate resilience and adaptation by permanently protecting habitat in wildlife corridors extending from northern San Luis Obispo to southern Big Sur.

**4. Project delivers multiple benefits and significant positive impact.**

The proposed project will deliver multiple benefits including permanently protecting the property from development, providing public access, and protecting wildlife corridors extending from northern San Luis Obispo to southern Big Sur (Exhibit 1, page 5).

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

The project was planned with substantial community participation and is supported by the County of San Luis Obispo, City of Morro Bay, and a broad coalition of nonprofit partners including the grantee, Land Conservancy of San Luis Obispo County, and Morro Open Space Alliance. See letters of support in Exhibit 3.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$1,500,000</b>
Wildlife Conservation Board	\$3,500,000
Cayucos Land Conservancy	\$300,000
Land Conservancy of San Luis Obispo County	<u>\$200,000</u>
<b>Project Total</b>	<b>\$5,500,000</b>

The anticipated source of Conservancy funding is a fiscal year 2022-2023 appropriation from the General Fund specifically for the proposed acquisition. (Budget Act of 2022, Section 19.56(e), SB 154, Chapter 43, Statutes of 2022, as amended by AB 179, Chapter 249, Statutes of 2022.)

In addition to a grant from the Wildlife Conservancy Board, the Cayucos Land Conservancy and Land Conservancy of San Luis Obispo County have secured approximately \$500,000 in private donations.

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:**

Conservancy participation in the proposed project is consistent with Chapter 5.5, Integrated Coastal and Marine Resources Protection (Section 31220) of the Conservancy’s enabling legislation, Division 21 of the Public Resources Code. Section 31220(a) authorizes the Conservancy to undertake a project or award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31120(b), the proposed project will (1) protect fish and wildlife habitat within coastal watersheds and coastal waters (Section 31120(b)(2)), including endangered species habitat in the Toro and Paul Alva Creek

watersheds; (2) acquire coastal riparian areas, floodplains, and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas (Section 31120(b)(6)); and (3) provide public access compatible with resource protection objectives (Section 31220(b)(8)).

Consistent with Section 31220(a), staff has consulted with the State Water Resources Control Board in the development of the project to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code, regarding the clean beaches grant program.

Consistent with Section 31220(c), the project is consistent with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” section below), and there is a monitoring and evaluation component included in the project.

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

Consistent with **Goal 3.1 Conserve Land**, the proposed project will acquire 748 acres of land to preserve it and provide compatible public access.

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

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local watershed management plans, if available, and with water quality control plans, adopted by the state and regional water boards. Acquisition of the property furthers the San Luis Obispo County Integrated Regional Water Management Plan, Ecosystem and Watershed Goal, Objective 2, to preserve, enhance, restore, and conserve riparian corridors and natural creek and river systems through wetland restoration, natural floodplains, riparian buffers, conservation easements, and other mechanisms. Acquiring the proposed property located in the Toro and Paul Alva Creek watersheds is consistent with this objective. The project is consistent with the Water Quality Control Plan for the Central Coast Basin (2019), and specifically addresses the following beneficial use objectives: wildlife habitat, freshwater replenishment, ground water recharge, and rare, threatened, or endangered species. Acquiring property located in the Toro and Paul Alva Creek watersheds is consistent with the objectives in these plans.

**CEQA COMPLIANCE:**

The proposed acquisition is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Section 15325 because it is a transfer of ownership of interests in land in order to preserve open space and existing natural conditions, and to preserve land for park purposes. The proposed acquisition is also exempt

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pursuant to Section 15316, which exempts a transfer of land to establish a park where the land is in a natural condition and the management plan for the park has not been prepared.

Staff will file a Notice of Exemption upon Conservancy approval of the proposed project.