MINUTE ITEM
This Calendar Item No. C60 was approved as Minute Item No. 60 by the California State Lands Commission by a vote of 3 to 0 at its 8-17-04 meeting.

CALENDAR ITEM
C60

A 67

S 35

AD 486

08/17/04
W 25306
J. Trout
P. Griggs

CONSIDER ACCEPTING AN AMOUNT NOT TO EXCEED $85,000 INTO THE KAPILOFF LAND BANK FUND BY THE CALIFORNIA STATE LANDS COMMISSION, IN ITS CAPACITY AS THE KAPILOFF LAND BANK TRUSTEE, FROM THE CITY OF CARSON, FOR MITIGATION PURPOSES AS DESCRIBED IN THE SETTLEMENT AGREEMENT CWA-SPL-2004-1 BETWEEN THE U.S. ARMY CORPS OF ENGINEERS AND THE CITY OF CARSON; AND AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AGREEMENTS TO IMPLEMENT THE SETTLEMENT AGREEMENT.

PARTIES:

California State Lands Commission, in its capacity as the Kapiloff Land Bank Trustee, the U.S. Army Corps of Engineers, Los Angeles District, and the City of Carson

BACKGROUND: The U.S. Army Corps of Engineers, Los Angeles District (Corps), and the City of Carson (City) entered into Settlement Agreement, CWA-SPL-2004-1, effective July 6, 2004, to resolve claims by the Corps concerning an environmental permit for the City. The Settlement Agreement provides that the City will provide the State Lands Commission with an amount not to exceed $85,000 to fund compensatory mitigation on property to be included in the Bolsa Chica Lowlands Restoration Project (Restoration Project) in Orange County, California.

The proposed mitigation project for the City would be carried out by the U.S. Fish and Wildlife Service's contractor for the overall Restoration Project. The Restoration Project is directed by a federal/state interagency Steering Committee of representatives of each of the eight agencies involved: the U.S. Army Corps of Engineers, the U.S. Fish and Wildlife Service, the U.S. Environmental Protection Agency, the National Marine Fisheries Service, the California Resources Agency, California Coastal Conservancy, the California Department of Fish and Game, and the California State Lands Commission.

In 1996, these agencies signed an Interagency Agreement to buy, plan, design, construct, and maintain the Bolsa Chica lowlands to mitigate the impacts of expanding facilities for the Ports of Los Angeles and Long Beach. The Ports of Los Angeles and Long Beach contributed $79.7 million for the purchase of the Bolsa Chica lowlands and for the Restoration Project (Project), and in exchange, the Ports received environmental mitigation credits. The California Coastal Conservancy contributed an additional $1,500,000 (which includes a $500,000 grant from the U.S. Fish and Wildlife Service.) All these funds were placed in the Kapiloff Land Bank Fund for the purpose of completing the Restoration Project. The U.S. Fish and Wildlife Service will oversee construction of the project. The U.S. Fish and Wildlife Service and the U.S. Army Corps of Engineers were the lead agencies pursuant to the National Environmental Policy Act (NEPA) process and the Commission acted as Lead Agency for the California Environmental Quality Act (CEQA) review.

At its meeting on February 12, 1997, the Commission authorized the purchase of approximately 880 acres of the Bolsa Chica lowlands from the Signal Bolsa Corporation, a subsidiary of Koll Real Estate Group. At that same meeting, the Commission authorized the acceptance of an approximately 25-acre parcel from the Bolsa Chica Land Trust (the Metropolitan Water District parcel) for inclusion in the Restoration Project.

The Project consists of two key phases. Phase I, which is scheduled to begin later his year, will restore the ecological function of the existing wetland area by increasing tidal influence and open water habitat by dredging a tidal basin within the existing wetlands and connecting it directly to the Pacific Ocean through a tidal inlet. Phase II is scheduled to occur in 2024, or at the time when the oil fields have reached their productive limit and are abandoned.

SUMMARY: The proposed mitigation project for the City includes restoration of 0.2 acres of pickleweed at the Fieldstone Property. The Commission authorized the purchase of the Fieldstone Property for the purpose of including it in the Bolsa Chica Lowlands Restoration Project at its June 7, 2004, meeting, but it has not yet been acquired. If for some reason the Fieldstone Property is not acquired, or the pickleweed establishment does not succeed, alternative mitigation would occur, such as iceplant removal or other enhancement measures at an appropriate location within the Bolsa Chica lowlands on property already owned by the State and under the jurisdiction of the Commission.

Staff recommends that the Executive Officer be authorized to execute an agreement with the Corps and the City that provides for the Commission to accept funds from the City not to exceed $85,000 into the Kapiloff Land Bank Fund to be used as part of the Bolsa Chica Lowlands Restoration Project.

OTHER PERTINENT INFORMATION:

1. The funds from the City would be deposited into the Kapiloff Land Bank Fund as mitigation funds under Public Resources Code sections 8600 *et seq.*

2. The Commission certified the Bolsa Chica Lowlands Restoration Project (Project) Final Environmental Impact Report/Environmental Impact Statement, adopted Findings, adopted a Mitigation Monitoring Program, adopted a Statement of Overriding Considerations, and approved the Project on January 30, 2002. The NEPA lead agencies issued the Record of Decision in the second quarter of 2002.

   Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (Title 14, California Code of Regulations, section 15025), the staff prepared an EIR/EIS identified as CSLC EIR/EIS No. 712, State Clearinghouse No. 2000071068. Such EIR/EIS was prepared and circulated for public review pursuant to the provisions of the CEQA.

APPROVALS OBTAINED:

U. S. Army Corps of Engineers; Regional Water Quality Control Board; Coastal Commission.

PERMIT STREAMLINING ACT DEADLINE:

N/A

RECOMMENDED ACTION:

IT IS RECOMMENDED THAT THE COMMISSION:

CEQA FINDING:

1. RE-ADOPT THE FINDINGS FOR THE 2001 BOLSA CHICA LOWLANDS RESTORATION PROJECT MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15091, AND ON FILE IN THE SACRAMENTO OFFICE OF THE COMMISSION.

2. RE-ADOPT THE MITIGATION MONITORING PROGRAM PREPARED FOR THE 2001 BOLSA CHICA LOWLANDS RESTORATION PROJECT MADE IN CONFORMANCE WITH THE PROVISIONS OF THE CEQA (PUBLIC RESOURCES CODE SECTION 21081.6), AND ON FILE IN THE SACRAMENTO OFFICE OF THE COMMISSION.

3. RE-ADOPT THE STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE 2001 BOLSA CHICA LOWLANDS RESTORATION PROJECT MADE IN CONFORMANCE WITH TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15093, AND ON FILE IN THE SACRAMENTO OFFICE OF THE COMMISSION.

AUTHORIZATION:

1. FIND THAT THE COMMISSION IS ACTING IN ITS CAPACITY AS LAND BANK TRUSTEE UNDER THE KAPILOFF LAND BANK ACT, PUBLIC RESOURCES CODE SECTIONS 8600 *ET SEQ.*

2. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE AN AGREEMENT, IN SUBSTANTIALLY THE SAME FORM AS ON FILE IN THE SACRAMENTO OFFICE OF THE COMMISSION, WITH THE U.S. ARMY CORPS OF ENGINEERS, LOS ANGELES DISTRICT, AND THE CITY OF CARSON, TO PROVIDE FOR COMPENSATORY MITIGATION TO BE INCLUDED IN THE BOLSA CHICA LOWLANDS RESTORATION PROJECT.

3. AUTHORIZE THE ACCEPTANCE INTO THE KAPILOFF LAND BANK FUND AN AMOUNT NOT TO EXCEED $85,000 FROM THE CITY OF CARSON AND THE EXPENDITURE OF THOSE FUNDS FOR THE PURPOSE OF RESTORATION OF THE BOLSA CHICA LOWLANDS.

4. AUTHORIZE THE EXECUTIVE OFFICER OR HIS DESIGNEE TO EXECUTE ALL OTHER DOCUMENTS AND TO TAKE ANY OTHER ACTIONS CONSISTENT WITH THIS AUTHORIZATION.