

MINUTE ITEM
This Calendar Item No. C49 was approved as
Minute Item No. 49 by the California State Lands
Commission by a vote of 3 to 0 at its
6-20-05 meeting.

CALENDAR ITEM

C49

A 67
S 35

06/20/05
W 25306
J. Trout
P. Griggs

**CONSIDER ACCEPTING A GRANT NOT TO EXCEED \$10 MILLION INTO THE
KAPILOFF LAND BANK FUND BY THE CALIFORNIA STATE LANDS
COMMISSION, IN ITS CAPACITY AS THE KAPILOFF LAND BANK TRUSTEE,
FROM THE CALIFORNIA COASTAL CONSERVANCY AND REQUEST AUTHORITY
FOR THE EXECUTIVE OFFICER TO EXECUTE AN INTERAGENCY AGREEMENT
WITH THE CONSERVANCY TO RECEIVE THE GRANT FOR THE BOLSA CHICA
LOWLANDS RESTORATION PROJECT.**

PARTIES:

California Coastal Conservancy
1330 Broadway, Suite 1100
Oakland, CA 94612-2530

PROPOSED ACTIVITY: Staff recommends that the Executive Officer be authorized to execute an agreement with the Coastal Conservancy that provides for the Commission, acting as the Kapiloff Land Bank Trustee, to accept Proposition 40 grant funds from the Conservancy not to exceed \$10,000,000 into the Kapiloff Land Bank Fund to be used as part of the Bolsa Chica Lowlands Restoration Project. The \$10 million, together with a \$10 million grant of Proposition 50 Bond Funds from the Wildlife Conservation Board, will be used to supplement \$72 million provided by the Ports of Long Beach and Los Angeles for restoration as mitigation for harbor improvements in San Pedro Bay.

BACKGROUND:

The Bolsa Chica Lowlands Restoration Project has been before the Commission several times over the last 8 years. In 1997, the Commission approved the purchase of 880 acres of private land in the Bolsa lowlands for the purpose of mitigating for development at the ports of Long Beach and Los Angeles. Mitigation was to include planning, design and restoration construction on 566 acres of that land. A joint federal/state EIR/EIS was approved and certified by the Commission on January 30, 2002. The preferred plan adopted by the Commission includes restoring 367 acres to the full range and influence of the tide, opening an inlet to the Pacific Ocean for the

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property which requires a bridge for Pacific Coast highway, creating 200 acres of muted tidal area, establishing three nesting islands for birds, and other related work including abandonment of 64 oil wells.

Work on the Restoration Project began on November 1, 2004 and should be complete by the third quarter of 2006. The U.S. Fish & Wildlife Service awarded the restoration contract and is administering day-to-day operations. Kiewit Pacific Corporation is the general contractor.

Additional Funding: The funds available to complete the Bolsa Chica Lowlands Restoration Project are inadequate to pay the projected expenses of the Project. Overall, the total project cost is estimated to be \$125 million including property acquisition. With the funds currently available (including the \$10 million proposed in this Calendar Item), there is an estimated deficiency of \$5 to \$10 million, depending on contracting change orders resulting from unexpected conditions and costs from impacts to oil and gas operations. A second request for Proposition 40 bond funds has been submitted to the Conservancy but has not yet been acted upon. Efforts are underway by all members of the Steering Committee to identify and obtain this needed funding.

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.