

STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF July 7-8, 2005
Prepared on June 17, 2005

ITEM: 34

SUBJECT: GUADALUPE SETTLEMENT FUND: BLACK LAKE CANYON PROPERTY ACQUISITION

SUMMARY

The Land Conservancy of San Luis Obispo County (LCSLO) has secured an opportunity to purchase the 12.8-acre Rossi-Black Lake Canyon property which will support the overall preservation strategy for freshwater marsh and wetland habitat on the Nipomo Mesa. The last step in obtaining full funding for this \$2,000,000 acquisition is authorization from the Central Coast Regional Water Quality Control Board (Central Coast Water Board) to commit \$600,000 from the Guadalupe Settlement Fund. This preservation project will provide direct benefits to water quality, as this purchase will allow the LCSLO to restore habitat and install sediment control measures where Black Lake Canyon meets the Guadalupe-Nipomo Dunes in southern San Luis Obispo County.

DISCUSSION

Background: In July 1998, Unocal and several state agencies entered into a settlement agreement arising from Unocal's hydrocarbon discharges at the Guadalupe Oil Field located in southern San Luis Obispo County. The settlement included monetary claims for a total of \$43.8 million, of which approximately \$15 million was dedicated for water quality projects as selected by the Central Coast Water Board.

Following a proposal review process, numerous water quality related projects were selected for funding, including \$2.5 million allocated to the Nature Conservancy's "Piece Together a Protected Landscape" aimed at property acquisition and conservation in the Guadalupe / Nipomo Dunes area.

In 1993, the LCSLO identified several priority parcels for acquisition and restoration as an overall conservation plan for Black Lake Canyon. In 2000, the California Coastal Conservancy (CCC) provided funds to LCSLO for the acquisition of the highest priority parcel. In 2003, the Central Coast Water Board approved spending \$500,000 from the "Piece Together a Protected Landscape" fund towards the purchase the 47.9-acre Choin property, the second highest priority parcel in Black Lake Canyon.

Upon approval by the Central Coast Water Board, the Nature Conservancy has agreed to reduce their contract allotment correspondingly from the \$2 million to \$1.4 million to assist the LCSLO with the purchase of the Rossi-Black Lake Canyon property.

Property Description: The 12.8-acre property is located at the western terminus of Black Lake Canyon, at the interface with the Guadalupe-Nipomo Dunes Complex, as shown in Figure 1. The Rossi-Black Lake Canyon property is the third highest priority parcel listing in the LCSLO conservation plan. The LCSLO already owns an adjacent 34-acre property that shares resources and habitat, including a freshwater pond that extends over both properties.

Project Goals: The primary goals in acquiring the subject property are to protect and restore areas with degraded native habitat, provide a refuge for native flora and fauna, and to offer opportunities for passive recreational use. The proposed preservation and restoration will significantly reduce impacts from the canyon's most severe water quality impairment, sedimentation. The restoration will hinder transfer

of the canyon's characteristically erosive sandy soils into the wetland below and thereby provide permanent protection of the site's freshwater marsh and wetland habitat. This parcel is currently subdivided into nine proposed home sites. The proposed acquisition will eliminate these development rights.

Acquisition: The most recent appraisal, conducted in May of 2005, assessed the property value at \$2 million dollars. The owners Mr. Rob Rossi and Mr. and Mrs. Tom McGonagill have offered a charitable contribution of \$400,000 as part of the proposed acquisition. This would reduce the purchase price to \$1,600,000 or \$125,000 per acre. The proposed funding plan for this acquisition is shown in Table 1, and would consist of a joint effort between the Coastal Conservancy, the Land Conservancy of San Luis Obispo, and a charitable contribution from the property owners in addition to the Central Coast Water Board funding.

Table 1. Funding Matrix

Organization	Contribution
Central Coast Water Board	\$600,000
California Coastal Conservancy	\$620,000
Land Conservancy of San Luis Obispo	\$380,000
Sub Total	\$1,600,000
Property Owners	(\$400,000)
Total	\$2,000,000

In addition, the California Coastal Conservancy and the Land Conservancy of San Luis Obispo County are contributing a combined total of \$35,000 to protect and restore areas with degraded native habitat and to enhance passive recreational use.

RECOMMENDATION

Approve the expenditure of \$600,000 from the Guadalupe Settlement Fund to purchase the Rossi-Black Lake Canyon property.

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