

DEPARTMENT OF FISH AND GAME

**WILDLIFE CONSERVATION BOARD**

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State of California  
The Resources Agency  
Department of Fish and Game  
**WILDLIFE CONSERVATION BOARD**  
Minutes  
September 30, 2003

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**The Resources Agency**  
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**WILDLIFE CONSERVATION BOARD**

Minutes  
September 30, 2003

The Wildlife Conservation Board met on Wednesday, September 30, 2003, in Room 4203 of the State Capitol in Sacramento, California. The meeting was called to order at 10:00 A.M. by Chairman Michael Flores. Mr. Flores introduced the Board Members and then turned over the meeting to Mr. Al Wright, Executive Director of the Board.

6. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

Michael Flores, Chairperson  
President, Fish and Game Commission  
Fred Klass, Program Budget Manager  
Vice, Steve Peace, Member  
Director, Department of Finance  
Robert C. Hight, Member  
Director, Department of Fish and Game

JOINT LEGISLATIVE INTERIM ADVISORY COMMITTEE

Assembly Member Patty Berg  
Kristin Stauffacher,  
Vice, Senator Michael J. Machado  
Jeff Arthur,  
Vice, Assembly Member Hannah-Beth Jackson  
Debra Gravert,  
Vice, Assembly Member Fran Pavley

EXECUTIVE DIRECTOR

Al Wright

Staff Present: Al Wright, Executive Director  
John Donnelly, Assistant Executive Director  
Marilyn Cundiff, Public Land Management Specialist  
Jenny Smith, Staff Services Analyst  
Peter Perrine, Public Land Management Specialist  
Bonnie Turner, Public Land Management Specialist  
Scott Clemons, Public Land Management Specialist  
Tony Chappelle, Public Land Management Specialist  
Ajit Bindra, Associate Budget Analyst  
Gary Cantrell, Research Analyst  
Dave Means, Senior Land Agent  
William Gallup, Senior Land Agent  
Steven Christensen, Senior Land Agent  
Ken Morefield, Research Analyst  
Elena Salas, Secretary  
Mary Grande, Secretary  
Jan Beeding, Office Technician  
Maureen Rivera, Executive Assistant

Others Present: Susannah Churchill, Environment California  
Melanie Choy, Robinson and Associates  
Dottie Jensen, WAMU  
Jan Owen, WAMU  
Victoria Rome, Natural Resources Defense Council  
Joe Caves, Conservation Strategy Group  
Paul Martin  
Tom Francis, Ballona Wetlands Land Trust  
Steve Soboroff, Playa Vista  
David Vena, Latham and Watkins  
Rorie Skei, Santa Monica Mountains Conservancy  
Patti Sinclair, Playa Capital Company LLC  
Ruth Lansford, Friends of Ballona Wetlands  
Jim Landry, Ballona Wetlands Foundation  
and Loyola Marymount University  
Rex Frankel, Sierra Club  
Mathew Hayden, City of Calabasas  
Jared Carter, Pacific Lumber Company  
Susan McCabe, McCabe and Company  
David Nelson, Playa Capital  
Liza Riddle, Trust for Public Land  
Catherine Tyrrell, Playa Capital  
Marcia Hanscom, Wetlands Action Network  
Laurie Collins, Santa Monica Mountains Conservancy  
Cara Horowitz, Santa Monica Mountains Conservancy  
Leslie Purcell  
Debra Gravert, Office of Assembly Member Fran Pavley  
Nick Smith, Governor's Office

Others Present: Tami Miller, Platinum Advisors

(Continued) John Stevens, State Assembly  
Brian Miller, Resources Agency  
Linda Parks, County of Ventura  
Rick Rayburn, Department of Parks and Recreation  
Jim Metropulos, Sierra Club

2. Ballona Wetlands, Los Angeles County \$140,000,000.00

Mr. Wright reported that this proposal was to consider a cooperative project with the State Coastal Conservancy (SCC), the Trust for Public Land (TPL), the Department of Fish and Game (DFG) and the Wildlife Conservation Board (WCB) to acquire approximately 483± acres of private land and property interests in Los Angeles County in order to preserve critical habitat and key open space, including a large portion of what remains of the Ballona Wetlands. The property is located on the western edge of the Los Angeles metropolitan area, in Los Angeles County, just north of Los Angeles International Airport. The subject property is the largest remaining undeveloped and restorable coastal wetland in Los Angeles and consists of three distinct areas identified as Area A (138± acres), B Residential (54± acres) and the Ballona Wetlands Parcel, including the Ballona Creek Channel (291± acres). The total to be conveyed to the State is 483± acres. Mr. John Donnelly described the project and its location.

As part of the transaction, Playa Capital Company, LLC (Playa), the present owner of the property, would also release its right of first refusal to purchase adjacent property identified as Area C. Playa will release its rights to an easement across Area C if relieved of its obligation to construct a road and bridge to connect Culver Boulevard with Playa Vista Drive. A trust currently holds title to Area C for the benefit of the State and legislation has passed to formally transfer title to the State acting by and through the DFG, WCB.

Mr. Donnelly reported that prior to this meeting, a summary paper which discussed several key points of the project, the State's Purchase Agreement and Environmental Site Assessment for this project, were available at the following locations on September 19, 2003:

1. The California Resources Agency, 1416 Ninth Street, Suite 1311, Sacramento, CA 95814 (916) 653-5656
2. Wildlife Conservation Board, 1807 13<sup>th</sup> Street, Suite 103, Sacramento, CA 95814 (916) 445-8448
3. Los Angeles River Center and Gardens, 570 West Avenue Twenty-six (at San Fernando Road), Los Angeles, CA 90065 (323) 221-9959 Ext. 0
4. Franklin Canyon Park, 2600 Franklin Canyon Drive, Beverly Hills, CA 90210 (310) 858-7272 Ext. 0

Mr. Donnelly explained that the documents and summaries were also available for review on the Internet by accessing the Wildlife Conservation Board's website or the California Resources Agency website.

The subject property is a composition of upland scrub, open salt/mud flat, riparian, coastal dune and grasslands providing habitat for a number of special animal species. A few of the species found on site include Lange's El Segundo dune weevil, Dorothy's El Segundo dune weevil, wandering skipper (federal species of concern), silvery legless lizard, Stevens' California vole (federal and State species of concern), California brown pelican (federally and State-listed endangered), California least tern (federally and State-listed endangered) and Belding's Savannah sparrow (a federal species of concern and State-listed endangered).

Several of the species listed above rely on wetland habitat, which is quickly disappearing. The Ballona Wetlands once consisting of approximately 1,500 acres, has been reduced over time to less than 150 acres. However, several narrow corridors, such as the Ballona Creek Channel connect the subject property with other open areas nearby, including Baldwin Hills to the northeast and a restored dune system at the western end of the Los Angeles International Airport located to the south.

The property will be acquired on behalf of the State and will be under the interim jurisdiction of the DFG. TPL has agreed to pay and provide for management of the property during this interim period (estimated to be approximately five years) which will provide the DFG, SCC and others involved in the transaction, the time needed to complete the planning processes and identify the appropriate entity to manage the property and implement long-term restoration. It is envisioned that restoration will incorporate, as appropriate, Area C, once that property is conveyed to the DFG, and an adjacent fresh water marsh recently restored by Playa as a condition of its present development.

Area A and Area B Residential have been appraised and the value has been reviewed and approved by the Department of General Services (DGS) at \$140,000,000.00, with concurrence from the WCB. Playa Capital Company, LLC has agreed to sell these areas at \$139,000,000.00, thereby providing a donation to the State. In addition, Playa has agreed to transfer the Ballona Wetlands Parcel and release its rights as described above in Area C to the State at no cost. It is estimated that an additional \$1,000,000.00 will be needed for project expenses, including title and escrow company costs, appraisal and the DGS' review charges, bringing the total allocation needed to complete this project to \$140,000,000.00.

The proposed acquisition project is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 13 and 25 categorical exemptions. (California Code of Regulations, Title 14, §15313 and 15325) Class 13 of categorical exemptions consists of acquisitions of land for wildlife conservation purposes. Class 25 of categorical exemptions consists of transfers of land in order to preserve open space, habitat or historical resources. Subject to approval by the Board, the appropriate Notice of Exemption will be filed with the State Clearinghouse. CEQA analysis for restoration will be a component of the restoration planning process.

Mr. Wright reported that the Board received numerous letters of support for this project including letters from Senator John Burton; Zev Yaroslavsky, Third District

Supervisor of Los Angeles County; Larry Myers of the Native American Heritage Commission; the Ballona Valley Preservation League, representing 24 individuals and organizations; and Kathy Knight from the Spirit of the Sage Council. Mr. Wright stated that the Board received a rather lengthy email from Tom Francis raising a number of concerns regarding the acquisition.

Ms. Ruth Lansford, President of Friends of Ballona Wetlands, addressed the Board in support of this project. She stated that Friends of Ballona Wetlands is the longest running organization that has been fighting for over twenty-five years to preserve the wetlands. Ms. Lansford went on to read a prepared statement. (See Attachment A)

Mr. John Tommy Rosas, Vice Chair of the Gabrielino/Tongva Indians of California Tribal Council addressed the Board. He stated that the land of this project is theirs, basically and traditionally, which is all documented. Mr. Rosas stated that he has talked with Mr. Wright who provided Mr. Rosas with requested documents. Mr. Rosas expressed concern that the Native Americans have lost a lot of land, that a lot of land needs to be saved and expressed support for the preservation of the property. He stated that their main objection and concern to this transaction is the way it was proposed and lack of communication with the Tribal Council. Mr. Rosas stated that the Native Americans are protected under CEQA and the Public Resources Code and that those don't seem to work, adding that another burial site was dug up last week at Playa Vista. Mr. Rosas stated that someone cited the letter from Mr. Larry Myers, but in the second sentence of the letter, referring to both the Playa Vista area and Ahmanson Ranch property, both areas contain extremely sensitive Native American cultural sites. He added that in his review of documents faxed to him, there were only two references to historic or cultural resources, yet there was great detail about other aspects of the project and feels they have been left out of the process. He stated that several archeological sites in the Playa Vista area are eligible for listing on the national register for historic places, which usually triggers a 106 consultation, which has not happened. He stated that the area also contains the Ballona Lagoon archeological district, and that district has been determined to be eligible for the national register and is listed on the State register. He stressed the importance of protecting their burial sites and cultural resources and requested they be more involved in the project and their concerns acknowledged ahead of time, and under those conditions they would then lift their opposition to the project. Mr. Rosas provided written comments for the record. (See Attachment B).

At this time Mr. Flores welcomed Assembly member Patty Berg.

Mr. Wright stated that he and Mr. Rosas talked recently and that the Board received a letter from the Native American Heritage Commission in strong support of the acquisition and identifying the area of Playa Vista in total as having cultural resources on it. Mr. Wright stated he is not personally aware of any specific sites on the property that are part of this acquisition, that the State is aware of three

scattered shell sites, and that there may be other information the State is not aware of but is certainly interested in obtaining. Mr. Wright stated that because this project is an acquisition, it does not cause any physical change to the land or the

environment does not trigger the 106 consultation requirements that Mr. Rosas has talked about. He added that as Mr. Donnelly discussed in the presentation, one of the primary goals of the restoration that will be led by the State Coastal Conservancy is to protect cultural resource values that may exist on the property. Mr. Wright agreed with Mr. Rosas before the Board meeting that he would convene a meeting in the near future if it was possible to get all of the parties together with the State Coastal Conservancy and the Department of Fish and Game, who would be managing the property, to meet with Mr. Rosas and hear his concerns more specifically so that when the State Coastal Conservancy begins the restoration planning we have made certain that we have incorporated in the public process the concerns of the Native Americans. Mr. Rosas stated that when there are test digs on the property, the soil is going to be disturbed and that is when there are usually archeological finds. He stated there are archeological sites recorded on this property and a number of others that are not recorded and that is why, when they are consulted, the Council can advise the State of those sites, otherwise the sites are confidential. He again stated that is their issue - it is required that they be consulted.

Mr. Hight agreed with Mr. Wright's statements that the Department of Fish and Game will be happy to work with them in resolving their issues. Mr. Rosas expressed appreciation for the opportunity to further discuss their concerns.

Ms. Leslie Purcell addressed the Board and expressed appreciation to the State, the Trust for Public Land and the many people that have worked on saving the Ballona Wetlands. Ms. Purcell stated she is a member of the Sierra Club and that she has worked with many of the local groups in Los Angeles to try to save the wetlands. She expressed support for the State acquiring the land and considering parts of Area D that are not yet entitled. She stated that she is concerned about the amount of money being spent on this proposal comparing it to the amount of money being spent on the Ahmanson Ranch proposal. Ms. Purcell reported that there are toxic issues that have been skimmed over, old oil field gases and residues in that area, and most of the land west of Lincoln Boulevard is a wetlands area that is not very developable. She commented that she understood the State has an appraisal process but when she looked at the Ahmanson and Grizzly Creek properties, the developer was willing to take a substantially less figure and get a tax benefit, \$20 million for Ahmanson and \$6,300,000.00 for Grizzly Creek, whereas Playa Vista is only taking \$1 million off and still trying to get a tax benefit. Ms. Purcell stated that Playa Vista is also released from a traffic mitigation they were supposed to do which was a bridge and road project that would have cost about \$10 million. She stated they were also supposed to do the wetland restoration at the west end of the wetlands, maybe \$13 million, at the end of the development process they were required to do that restoration. She stated she has been working with several people to save the Ballona west bluff, located above the freshwater marsh. She reported the bluff is being graded at this time and burials are being uprooted and being taken off the site. Ms. Purcell again expressed concern to please consider the bluff area for acquisition.

Mr. Tom Francis, Executive Director of the Ballona Wetlands Land Trust, stated that

since 1994, the sole mission of the organization has been to facilitate the acquisition and preservation of the entire Ballona wetlands ecosystem. He reported that the Trust has several concerns about the way the State is approaching this acquisition, but also has suggestions on how, in the future, the State can do a better job on acquisitions, get more land for the taxpayer and therefore do better for the environment. Mr. Francis stated that the Trust supports acquisition of the Ballona Wetlands in concept, but feels the State should be acquiring the entire ecosystem, not just part of it, adding that there are still 350 acres on the other side of the street that are threatened by development and not part of this proposal. He stated that the Trust urges the Board to postpone this acquisition so that the State has an opportunity to renegotiate it so that the taxpayers get a fair deal and the State do something that truly protects the environment from the threat of development. Mr. Francis commented that this acquisition will likely generate significant interest in reevaluating the State's acquisition policy so that the State can stop competing with itself by overpaying for a small part of land that needs protection while leaving other ecosystems to be paved over due to lack of acquisition funds. He stressed the environmental community and the State need to face the fact that we have a small amount of money relative to the amount of land that needs to be purchased and there is a need to reevaluate how we approach purchases.

Mr. Jim Metropulos, representing the Sierra Club California, addressed the Board and read a prepared statement in support of this proposal. (See Attachment C)

Mr. Rex Frankel, President of the Ballona Ecosystem Education Project, addressed the Board in support of the proposed preservation of this area and expressed concern regarding the purchase price of the property. He stated that the Ballona Ecosystem Education Project is the second oldest group that has been working on the Ballona Wetlands issue and that he has been working since 1985 to save the Ballona Wetlands, uplands and open space around it. Mr. Frankel stated he is also a member of the Executive Committee of the Sierra Club of Los Angeles. He praised Governor Davis for his support of this proposal. Mr. Frankel expressed concern regarding the amount of money the State was paying for this acquisition thereby possibly hindering the State's ability to acquire other properties, including Ballona Bluffs, Palos Verdes Peninsula and Santa Clarita Valley in the Newhall area. Mr. Frankel stated that Ballona Bluffs and the Newhall Ranch area face imminent threat of development while the Ballona properties being considered today face enormous regulatory hurdles to build anything, have no permits and may take many years of litigation. He stated that it will take years for permits to be issued and therefore they are concerned that the purchase price may be excessive for the amount of property being acquired in comparison to the Ahmanson Ranch proposal. Mr. Frankel commented that he felt Playa Vista and their supporters are using the panic of the recall to press Governor Gray Davis into making a bad deal for the taxpayers even if it is good for the environment. Mr. Frankel stated that the Board should reconsider the transaction and urge Playa Vista to accept a fair price and save more land.

Ms. Marsha Hanscom, Executive Director of the Wetlands Action Network, addressed the Board in support of this project. She reported that she also serves

on the National Board of Directors of the Sierra Club and wanted to clarify that Mr. Jim Metropulos was the official spokesperson from the Sierra Club regarding this proposal. She reported that their National Board of Directors passed a resolution in support of this acquisition last week at its annual meeting. She stated that Wetlands Action Network is one of the cofounders of the Citizens United coalition to save all of Ballona Wetlands, with 110 groups participating in that coalition. She stated that over the past 30 years, thousands of people have been involved in various ways to protect the Ballona Wetlands. Ms. Hanscom addressed Mr. Frankel's and Mr. Francis' comments regarding issues about entitlements and that the developers could never get permits on this land. She stated that those comments were not entirely accurate and that there are some entitlements on the property from a settlement several years ago and that there is an underlying land use plan where the Coastal Commission would have been required to permit hundreds of houses, a marina and residential units to be built on this land. She added that while there have been some changes in the law or clarifications in the law, there is no question in her mind that after attending many Coastal Commission hearings, the developers would get permits to build something on this land. She stated that development on this land is not acceptable and that it should be protected for the public. She again expressed their support for this proposal and that the management of the property will improve under the Department of Fish and Game and the Trust for Public Land and not stay the same as was mentioned earlier. She stated that they wanted to make sure, before closing escrow, that all of the agreements that are detailed in the purchase agreement are made available to the public; all of the agreements about the parking lots that were originally built for the 1984 Olympics are still there. She commented that today's proposal regarding Grizzly Creek is related to Ballona Wetlands because the Marbled Murrelet, the endangered bird that nests at the top of the redwoods, has actually been seen on several occasions at Marina Del Rey adjacent to the Ballona Wetlands, and that if we restore these wetlands and give the birds more space, we are helping endangered species that travel up and down the Pacific Flyway. She commented that these two acquisitions will be a legacy to Governor Davis and his administration.

Mr. Hight thanked Ms. Hanscom for seeing the connection between the two parcels and that the Department of Fish and Game is very excited about the combination of the two acquisitions.

Ms. Victoria Rome, Policy Analyst with the Natural Resources Defense Council (NRDC), addressed the Board in support of this proposal. On behalf of California's 110,000 members, she asked the Board to approve this proposal. She submitted for the record a copy of a Commentary by Mark Gold and Joel R. Reynolds, Southern California colleagues, which appeared in the Los Angeles Times on July 21, 2003, and provides further detail on all of the reasons why the NRDC supports acquisition of this property and Ahmanson Ranch. (See Attachment D)

Mr. Reed Holderman, Vice President and Regional Director for The Trust for Public Land (TPL), addressed the Board in support of this proposal. Mr. Holderman stated that the TPL is the only national nonprofit land conservation organization dedicated to conserving land for people, no matter where they live. Mr. Holderman stated that

The Trust for Public Land has been in existence for over 30 years and saved over 1.5 million acres in the United States and over 250,000 acres here in California. Mr. Holderman stated that over the past two years his organization has had the pleasure of working with the Board staff, the Department of General Services, Playa Capital and the environmental community to create an opportunity for public purchase of the Ballona Wetlands. This opportunity has been over 20 years in the making, involving studies, land use and public hearings, appraisals and lawsuits. Mr. Holderman stated that the Ballona Wetlands is probably the most analyzed and thought over property in the State and believes that the proposal offers the best chance of saving the portion of Playa Capital's ownership that can be reclaimed and restored as a fully functioning wetland. He added that most groups and elected officials at all levels of government support the Board's acquisition of this property. He stated that the overwhelming support stems from the fact that the Los Angeles area has experienced incredible growth and urbanization without providing the necessary open space and outdoor recreational opportunities to meet the social, recreational and spiritual needs of the community. Mr. Holderman reported that in 1950, the population of New York City was eight million people and Los Angeles County had four million people, and in 2000, New York City still had eight million people, but Los Angeles County had grown to ten million people, an increase of 150 percent. He stated Los Angeles is now known as one of the most "park poor" cities in the United States and the natural areas in Los Angeles are disappearing at an alarming rate. He explained that Southern California has lost all but 10 percent of its historic wetlands and Los Angeles County has been even harder hit with only two to three percent of Los Angeles County's wetlands remaining. He commented that this acquisition is so important to the fragile chain of wetlands dotting California's coast because it will more than double the current wetland supply in Los Angeles by making approximately 500 acres available for wetland restoration. Mr. Holderman stated that the purchase of Ballona Wetlands is arguably the most significant wetland acquisition on the south coast during the last twenty years. He stated this acquisition will also reaffirm a commitment made by Governor Davis to create and expand open space. He reported that the land use plan for the subject properties was approved twice by the City and County of Los Angeles and the California Coastal Commission calls for intensive residential, commercial and visitor serving development on these graded and historic wetlands. The California Coastal Commission signed an agreement a few years ago to expedite project permits and has already approved several infrastructure projects that reference the larger unbuilt development on the subject properties. Mr. Holderman stated that if the Board did not approve today's proposal, Playa Capital will proceed with efforts toward development. He added that The Trust for Public Land enthusiastically supports the recommendation to approve this proposal.

Ms. Susannah Churchill, Preservation Advocate with Environment California, addressed the Board in support of this proposal. She stated that they have been involved in the effort to save Ballona Wetlands since 1996. On behalf of Environment California, she expressed appreciation to the Davis administration, Senator Bowen and Assembly member Nakano for taking action to preserve Ballona Wetlands. She commented that they believe these lands will be valuable as wildlife habitat and as open space in a part of the State where over 95 percent of the

wetlands have been destroyed by development. She added that they also believe \$140 million is a lot of money, that protecting the land is priceless and urged the Board to approve this proposal. She presented for the record a Position Statement representing over 40 groups and individuals in support of this acquisition. (See Attachment E) Ms. Churchill also submitted for the record a response to the Ballona Land Trust Position Paper outlining why the State is justified in moving forward on this proposal. (See Attachment F)

Dr. James Landry, representing Ballona Wetlands Foundation, expressed support for this proposal and their desire to assist the State, especially through the expertise of their science advisory board in the planning and eventual restoration of the salt marsh. He stated that he also represented Loyola Marymount University and expressed the University's support of the acquisition of this land, both as a neighbor and community member. Dr. Landry stated that for many years they have been involved in a variety of activities in the wetlands, from workshops to research, and will be happy to provide assistance to the State in the restoration of the wetlands. He stated that they viewed the wetlands as a great site and opportunity to help education and train their scientists as well as all of their students about the importance of the wetlands and environment in their lives.

Mr. Flores asked if there were any further comments or questions.

Mr. Hight stated that in 1985 Governor Davis, at that time State Controller, became involved in this project and has been heavily involved ever since with the goal in mind of trying to figure out how to preserve and restore as much of the wetlands as possible. Mr. Hight stated that this area has been appraised and reappraised and that he is exceedingly comfortable with the appraised value and that it is fair, just and equitable. He thanked the local activists who have worked through the years and spent many hours to get to this point.

Mr. Flores requested Mr. Wright address some of the issues regarding toxics, Area D, full disclosure of documents, etc. Mr. Wright discussed the property value and stated that no one wants to pay more for the property than they have to, including the Wildlife Conservation Board. He reported that the State must adhere to strict processes in order to make value determinations. He stated that the Trust for Public Land contracted for an appraisal and once that appraisal was done, the Wildlife Conservation Board contracted with another private contractor, also licensed by the State to review the appraisal. Once the review was done, both documents were given to the Department of General Services, who has authority and the mandate to approve all appraisals for the State before we approve the acquisitions. After consultation with others, Mr. Wright felt it would be appropriate for the State to contract with yet another contractor for another appraisal. Another appraisal was done, the fair market value was determined by that appraiser, which came in \$10 million less than the first appraisal that was contracted by The Trust for Public Land. Mr. Wright addressed issues regarding toxics that may or may not exist on the property. He stated that The Trust for Public Land paid for an extensive environmental site assessment done by a contractor, URS, and that report has been made available for public review. Mr. Wright has asked the contractor to update the

site assessment for better interpretation of the data contained in the report and may ask URS to do additional sampling. He stated that, from what is known at this time, there is nothing on the property that would cause the Board concern, that we would ask Playa Capital to pay for remediation since everything we know about the property relative to toxics occurred on the property long before their ownership. He stated there are hydrocarbons in the soils because of the approximate 22 old oil wells, most are currently operated by Southern California Gas Company, either as monitoring or as wells, to inject and withdrawn natural gas from the property and they will have continuing responsibilities in that area. Mr. Wright stated there is an issue about an old agricultural dump and sampling in that area. He stated that from what we know about it today, they have not detected any pesticides even though apparently a pesticide was used on the celery grown in the area and fuel oil might have been used as the celery was discarded to reduce the amount of odor. He stated that none of those contaminants were found in the testing and URS is continuing to evaluate whether or not they need to go in and resample those sites. He added that there were also some heavy metals found, and it is believed some of that is a result of dredge spoils on the property. Mr. Wright stated there is also the issue of soil gases, the methane gas, which some believe would preclude Playa Capital from developing the property and ultimately reducing the value of the property. Mr. Wright passed around a map showing soil gases from a survey of the property and he stated most of the soil gases are in Area D, where Playa Capital is presently developing and very little is found or known to exist on the areas that are the subject of this acquisition. Mr. Wright stated that he has spoken to Southern California Gas Company staff because there have been allegations over the years from people that the gas reservoir that exists 6,000 feet under the ground is leaking and there are gases coming to the surface. In addition to the gas company and Playa Capital investigating that, the City of Los Angeles has also investigated the issue and everybody has come to the conclusion that there is no connection between the underground gas reservoir and the soil gases which is natural occurring methane that appears in several areas in Southern California. Mr. Wright pointed out that the worst gas occurrences are in Area D, and both the city and the county have building codes that provide for construction in those areas by the use of mitigation measures such as venting and impervious soil membranes so that they protect people that live in those areas. He stated that both the Board and the appraiser feel that would have no impact on the value. Mr. Wright addressed zoning and planning. He referred to previous testimony by one of the speakers where they stated there are no entitlements on the property and other speakers have said there are.

Mr. Wright reported that one of the issues in the first appraisals was whether or not there was adequate investigation with the permitting authorities about entitlements and the risk that Playa Capital or the landowner was taking in proceeding with building. Mr. Wright stated that the appraiser discovered in his review regarding entitlements, and by speaking with city and county staff, also talking with the Executive Director, Chair and voting members of the Coastal Commission, that in 1984 there was a land use plan that was approved and it has been resubmitted to the Coastal Commission and accepted by the City of Los Angeles and the County of Los Angeles. He stated that everybody recognizes this will be a difficult place to

develop. In addition to that, because of legal challenges, there was a settlement agreement in 1994, Friends of Ballona Wetlands vs. the California Coastal Commission, in which there were specific agreements reached about building density, building heights and several other things. Mr. Wright stated that these were all taken into consideration by the appraiser in developing the highest and best use scenario of the properties. Mr. Wright stated the appraiser made certain that the proposed development scenario was also compliant with the Bolsa Chica decision.

Mr. Wright stated that discussions with and correspondence from the City and County indicate that they believe that once the applications are perfected, that permits would be issued within a period of about 18 months. Mr. Wright stated that he talked with the appraiser this morning on the issue of litigation because in a conversation with one of the speakers a couple of days ago they raised the issue of how could one assume the litigation would be resolved in a year to a year and a half, and therefore asked what he took into consideration to come to that conclusion. The appraiser advised him that he recognized this is a difficult property to develop, but no more difficult than Area D, where special construction techniques are being used now by Playa Capital to construct. There was a boat basin proposed in one development scenario and this appraiser took that out. He stated that there was a cluster of wetlands, the appraiser drew a line around those wetlands and put a 100 foot buffer on it and assumed that most of the rest of the property could be developed. The wetlands delineations that have been approved previously totaled approximately 25 acres on Area B residential and on Area A this appraiser set aside a total of about 65 acres, so the appraiser believes he has created plenty of room to protect wetlands, provide buffers and open space that are necessary, and if there is mitigation required as a result of the proposed development scenario that he assessed, it could be done on site. Mr. Wright stated that in the end, the appraiser said that in the event litigation went beyond the estimated period, the profit margin that he built into the appraisal would still take care of the additional litigation time. Mr. Wright explained that, in other words, if someone were to go to Playa Capital today and offer them what the State is proposing to pay and they develop this out to where they have a lot ready to sell on the open market to build, there is a huge profit margin built into the appraisal. Mr. Wright went on to say that the appraiser believes that even though this property is appraised at \$140 million, we are dealing with the Los Angeles market and he believes it is a very reasonable value which was approved by the Department of General Services. Mr. Wright acknowledged that when this large amount of money is taken out of a source to purchase and do restoration work, it will have an impact on our ability to purchase other properties in Los Angeles. He stated the funds are coming out of Prop 50 money designated specifically for Los Angeles and Ventura Counties. He stated that another issue that was raised is why we don't buy other lands that Playa Capital may be proposing to develop or other lands that may be held by other parties. Proposition 50 specifically states that we will only purchase land from willing sellers and buyers. Mr. Wright stated that, as far as he knows, this Board has never tried to force a landowner to sell something they don't want to sell and that we are in the business to work with willing sellers and we try to negotiate fair deals for the State and the public, and for the landowners as well. Addressing Ms. Hanscom's question regarding whether or not all of the agreements will be available for the public to view before we close

escrow, Mr. Wright stated that once we complete those licenses, which the Department of Fish and Game will be working with Playa Capital and the WCB on, he did not see any reason why we could not make those available to the public.

Mr. Wright stated that it will be important that we have a strong partnership with the Department of Fish and Game, they are going to need a lot of local support and we hope they will continue to be there after we acquire the property. He added that this acquisition presents a tremendous opportunity to save a large open space in Los Angeles and that the planning and management is done so that there is consensus about how we move forward.

Mr. Flores requested clarification regarding full public access. Mr. Wright stated public access would be decided by the planning process. The Department of Fish and Game will have many discussions regarding that aspect and he assured everything possible would be done to make the property available for public access. Mr. Hight stated there are issues regarding safety and the adjacent Ballona canal, but he assured they would work on providing as much public access as possible. Mr. Wright reported that during his site visits to the wetlands, he observed many students in the area, that there is already a lot of environmental education going on in the community and he expects to continue to see that in the future.

Staff recommended that the Board approve the acquisition of Area A, B Residential and Ballona Wetlands Parcel as proposed; allocate \$140,000,000.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop. 50), Section 79572(b) to cover acquisition and project expenses; authorize acceptance of any and all interests in Area C, the freshwater marsh, and the expanded wetland parcel, as appropriate; authorize transfer of the property to the appropriate managing entity as identified at the end of the restoration planning process; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

**It was moved by Mr. Robert Hight that the Board approve the acquisition of Area A, B Residential and Ballona Wetlands Parcel as proposed; allocate \$140,000,000.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Prop. 50), Section 79572(b) to cover acquisition and project expenses; authorize acceptance of any and all interests in Area C, the freshwater marsh, and the expanded wetland parcel, as appropriate; authorize transfer of the property to the appropriate managing entity as identified at the end of the restoration planning process; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.**

**Motion carried.**

Mr. Wright expressed appreciation to the many people who worked on this project.

3. Ahmanson Ranch, Ventura County \$135,000,000.00

Mr. Wright reported that this was a proposal to consider the allocation of a grant to the Santa Monica Mountains Conservancy (SMMC) to assist in the cooperatively funded acquisition of 2,958.76± acres of land for the protection of wildlife habitat and corridors to promote the recovery of rare and sensitive species. Other partners in this project include the State Coastal Conservancy (SCC) and the Mountains Recreation and Conservation Authority (MRCA), a Joint Powers Authority. The property is located on the southern facing slopes of the Simi Hills, at the easternmost edge of Ventura County, just north of Calabasas. Mr. Dave Means described the project and its location.

The SMMC is seeking to acquire the property to expand protection of critical habitat within the Simi Hills and maintain habitat corridors with other adjoining mountain ranges and ecosystems. This includes the protection and restoration of sensitive and declining plant communities, protection of the Malibu Creek watershed (a coastal stream) and to provide accessible open space parkland opportunities for the greater Los Angeles metropolitan area.

The Simi Hills run 16± miles east to west, bounded by the 23 Freeway and Thousand Oaks on the west, the San Fernando Valley on the east, the 101 Freeway to the south and the 118 Freeway to the north. The hills are situated in the middle of a series of mountain ranges running east to west in southern California, containing Mediterranean type ecosystems. To the north are the Santa Susana and Big Mountains. These two ranges essentially merge together to form one range of mountains that extends east to west, 20± miles between Moorpark on the west and Santa Clarita on the east. North of this range are larger national forest areas, including the Los Padres National Forest and the Angeles National Forest, located within the San Gabriel Mountains. Running parallel and south of the Simi Hills are the Santa Monica Mountains, coastal mountains that extend east to west, 40± miles between the Oxnard plain on the east and Hollywood on the west, with southerly slopes extending down to the Pacific Ocean coastline.

The location of the Simi Hills provides critical habitat linkage that allows migration of species back and forth between the coastal ranges, up into the larger national forest areas to the north and east. In 1989 the National Park Service commissioned a study that concluded the existing sub-populations of many of the larger mammals in these coastal ranges were too small to be self-sustaining. The linkages provided by the Simi Hills allow for the migration and replenishment of mammals between the different ranges. Without these linkages, the species, especially in the Santa Monica Range, could become isolated and suffer detrimental effects in terms of health and numbers. Adding to this potential impact is the fact that most of the areas separating the Simi Hills from the other two ranges are already developed and separated by major roads and freeway improvements.

As part of this acquisition the SMMC will also obtain rights to an open space easement encumbering Crummer Canyon that abuts the southeast corner of Ahmanson Ranch and extends approximately one mile south to the 101 Freeway.

Crummer Canyon is one of the only two existing protected habitat corridors remaining between the Simi Hills and the Santa Monica Mountains. Eventually a habitat underpass (tunnel) will need to be constructed under the 101 Freeway in order to link up with the Las Virgenes View park open space, located on the south side of the freeway. From here the open space connects with the Malibu Creek State Park and the Malibu Creek watershed, a protected wildlife corridor that extends out to the Pacific Ocean.

Other public held open space within the Simi Hills includes the Santa Susana Pass Historical Park; the 625 acre Sage Ranch; the 2,566 acre Las Virgenes Canyon open space abutting the eastern boundary of the Ahmanson Ranch; the 300 acre Liberty Canyon North Open Space, that also provides the only other protected corridor link between the Simi Hills and the Santa Monica Mountains; the 1,792 acre Cheeseboro Canyon located west of the Las Virgenes Canyon; and the 2,308 acre Palo Comado Canyon National Park. Located in the western portions of the Simi Hills are a combination of county and MRCA open space areas managed by the Conejo Open Space Conservation Agency, encompassing approximately 15,000 acres.

In addition to protecting critical linkages, Ahmanson Ranch will also expand core habitat areas within the Simi Hills. By abutting and linking with the Las Virgenes Canyon open space, the majority of the Las Virgenes Creek watershed, a major tributary of Malibu Creek, will be protected.

The topography of Ahmanson Ranch ranges from the relatively flat Laskey Mesa, to gentle slopes and rolling hills, to the rugged rock lands at the northern boundary of the property. East Las Virgenes Creek flows east to west through the center of the property connecting to the main fork of the Las Virgenes Creek that makes up the western border of the property.

For most of its history the property has been used as ranch. As a result, there is still an abundance of native habitat and wildlife found on the property. Habitat types include valley oak savannah, coastal sage scrub, chaparral, riparian woodland, California walnut woodland, southern willow riparian vegetation and native bunch grasses and grasslands. Wildlife includes a high level of both common and rare species. Listed species of note include the red-legged frog, San Fernando spineflower and the southwestern willow flycatcher. The population of red-legged frogs found on the property is thought to be one of the last remaining viable populations of the federally listed red-legged frog in Southern California; the extremely rare San Fernando Valley spineflower, discovered in 1999 by consultants on the ranch was thought to be extinct at one time and was last observed in the area in 1929; and the southwestern willow flycatcher observed on the property, is both a State and federally listed bird.

The Ahmanson Ranch is also part of the historical range of the California condor and the southern steelhead. It is hoped that preservation of the property will lead to reestablishment of these species on site. Other sensitive species and wildlife found on the property include the loggerhead shrike, two-striped garter snake,

American Badger, southern California rufous-crowned sparrow and the yellow warbler. Fifteen species of raptors have been observed on the ranch, nine of which are considered sensitive by the State. Bats use the property for foraging, including the three sensitive listed species. Large mammals include the mountain lion, mule deer, bobcat, coyote, long-tailed weasel, raccoon and ringtail cat. The ranch also supports a full compliment of reptile, rodent and bird species.

Approval of the Ahmanson Ranch development was conditioned on the transfer to MRCA of approximately 7,316 acres of land offsite and 2,633 acres of what was once the western portion of the ranch for parkland, for a total of 9,949 acres which has been completed.

The property has been appraised and the value has been approved by the Department of General Services (DGS) at \$170,000,000.00. The purchase price as negotiated is \$150,000,000.00. The WCB will fund \$135,000,000.00 toward the purchase price, with the remaining \$15,000,000.00 funded by the SCC and the SMMC. The transaction and transfer of the property will involve two purchase agreements. The first is a purchase agreement between the MRCA and the current owners. Immediately after this transaction has been completed, the MRCA will transfer and sell the property to the SMMC. Because the transaction between the SMMC and MRCA requires the Public Works Board (PWB) approval, disbursement of WCB funds will be conditioned on approval by the PWB, scheduled to occur subsequent to WCB approval.

For management purposes, title to the property will be transferred to SMMC. Management objectives include: 1) protection of core habitat and wildlife corridors; 2) protections and restoration of sensitive and declining plant communities; 3) protection of listed and sensitive species; 4) nature education and interpretation uses, including the possible conversion of a residence on the property to a nature interpretation center; 5) protection of coastal stream watershed; and 6) public use for low impact recreation, including hiking, biking and nature-related studies.

The terms and conditions of the proposed grant require the PWB approval, as mentioned above, and provide that staff review and approve all documents pertaining to the Grantee's acquisition, including any appraisals, preliminary title reports, entitlements on the property, property and tax assessments, agreements for purchase or sale, escrow instructions and the instruments of conveyance prior to disbursement of funds.

The proposed acquisition is exempt from California Environmental Quality Act requirements under Section 15313, Class 13 as the acquisition of land for wildlife conservation purposes and under Section 15325, Class 25 as the transfer of ownership in land to preserve open space, habitat or historical resources. Subject to approval by the Board, the appropriate Notice of Exemption will be filed with the State Clearinghouse.

Mr. Wright reported that the Board received several letters of support from Senator Sheila Kuehl; Assembly member Fran Pavley; Assembly member Hannah-Beth

Jackson; Zev Yaroslavsky, Los Angeles County Third District Supervisor; Frances Alet, President, Malibu Canyon Community Association; David Brown, Conservation Chair, Santa Monica Mountains Sierra Club; Phillip Rundell, UCLA Professor; Eugene Jones, Cal State Fullerton; Richard Ambros, UCLA; Jim Edmonson, Southern California Steelhead Coalition and approximately thirty letters from citizens, one of those letters contained 20 signatures.

Mr. Means reported that Ms. Linda Parks, Ventura County Second District Supervisor, was in the audience, also staff from the Santa Monica Mountains Conservancy, including Executive Director Joe Edmiston, Deputy Director Rorie Skei and Staff Counsel Laurie Collins should there be any questions.

Supervisor Parks addressed the Board and, as a member of the Santa Monica Mountains Conservancy as well as the Ventura County Transportation Commission and the Ventura County Board of Supervisors, expressed appreciation for this acquisition. She stated that from the point of view of the SMMC, she felt this acquisition was a great deal. As a member of the Ventura County Transportation Commission, she stated that this acquisition is less expensive than having to put extra lanes on the 101 Freeway and it will save the commuters of that region. She pointed out that the acquisition of the Ahmanson Ranch is supported by the major and minor environmental organizations such as the Sierra Club, Save Open Space, Rally to Save Ahmanson Ranch, Heal the Bay and others, the legislators who represent the area, the cities of Thousand Oaks, Agoura Hills, Westlake Village, Malibu, Los Angeles, Calabasas, as well as the County of Los Angeles. She commented that we are very fortunate to save a large expanse of open space in the middle of a major metropolitan area and that the voters intended for Prop 50 funds to be spent in this type of acquisition. She also pointed out that the Board members might look back on this vote with pride and that this is one of the most important votes they could make. She again expressed appreciation for the Board's support.

Mr. Joe Edmiston, Executive Director of the Santa Monica Mountains Conservancy, expressed appreciation to the Board and Executive Director Wright for their work on this project, and stated that final approval for this acquisition lies with the Public Works Board at its regularly scheduled meeting. He stated that the appraisal and agreements have been reviewed by numerous people. Mr. Edmiston commented that it is appropriate that we deal with Prop 50, because the proposition requires the funds to be used in close proximity to urban areas of high resource value. He stated there is no other property, with the exception of Ballona Wetlands, in Los Angeles and Ventura Counties, which better meets the criteria and there are no other willing sellers of as significant a property in Los Angeles and Ventura counties. Therefore, all the criteria are combined in this one property. He stated that the last acquisition approved by the Public Works Board for the Santa Monica Mountains Conservancy was an area in Glendale for \$70,000 per acre and stated that the Ahmanson Ranch area is a much higher value community, the market is red hot and that we're considering about \$50,000 per acre for this acquisition.

Mr. Flores requested clarification regarding public access to the project area.

Mr. Edmiston explained that there are two roads that access the property, there is a trailhead at the end of Los Virgenes that serves the current open space that was dedicated that will also serve as the principal trailhead into the property and all they have to do is cut off the no trespassing sign that Ahmanson has on it and the property is open. Mr. Edmiston stated there will have to be a management plan because of the sensitive and endangered species on site, with public input and a ranger will move onto the property to guide the public and make sure there is public access but also public access that also protects the sensitive resources. Mr. Edmiston stated they are ready to open it to the public because the SMMC already manages the adjacent property.

Mr. Metropulos, representing Sierra Club California, stated the Sierra Club supports the recommendation of staff to approve the purchase of Ahmanson Ranch, which will complete protection of a unique block of core habitat but it will also be an important step in completing a habitat linkage that will connect wildlife populations and protected lands in the Santa Monica Mountains to the south, to wild lands in the Santa Susanna and the San Gabriel Mountains to the north, in addition to a critical part of the upper watershed of Malibu Creek which is one of the largest protected coastal streams south of Big Sur. He stated that Lower Malibu Creek is within Malibu Creek and supports the southernmost run of the endangered southern steelhead and Malibu Laguna at its mouth is the last remaining lagoon in Los Angeles. Protection of Ahmanson Ranch will provide watershed protection to these unique wetland and riparian resources downstream.

Ms. Marsha Hanscom, Executive Director of the Wetlands Action Network, addressed the Board and expressed appreciation for those involved in this project. She stated that the headwaters for the Los Angeles River is located on this property, which created the estuary Ballona Creek and Ballona Wetlands. She wanted to honor those activists who have worked hard in promoting this proposal. She also thanked the Governor for recognizing the importance of the linkages in this area.

Ms. Victoria Rhome, representing the Natural Resources Defense Council, addressed the Board and stated they are very concerned about environmental degradation that could occur in this area if Ahmanson Ranch were to be developed and therefore, were in strong support of the proposal.

Mr. Flores requested clarification from Mr. Edmiston regarding plans for environmental education, particularly for children, on the property. Mr. Edmiston explained that Mr. Howard Ahmanson had a beautiful vacation home on this property and that will be turned into an education center. Mr. Edmiston reported that there are plans in the works for a permanent endowment to make sure there is money for children all over Southern California, particularly from the heavily impacted urban core, to visit this property. He stated they have an existing program called The Recreational Transit Program, that brings children from the inner city to all of the parks within the Santa Monica Mountains Conservancy and that will include this property.

Ms. Debra Gravert, representing Assembly member Fran Pavley, read a statement from the Assembly member strongly supporting this project. (See Attachment G)

Mr. John Tommy Rosas stated that the Native American group feels they should have been consulted regarding this project. He stated he is familiar with this land and that the land is shared by the Chumash and their people and that many of the Native American sites on the property are theirs. He stated they have concerns because there was no consultation and they were not involved with the process. At this time he also addressed that Board in support of agenda item 5 regarding Grizzly Creek.

Mr. Jeff Arthur, representing Assembly member Hannah-Beth Jackson, whose district includes parts of Santa Barbara and Ventura counties, read a statement from the Assembly member strongly supporting this acquisition. (See Attachment H)

Staff recommended that the Board approve this project as proposed; allocate \$135,000,000.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 [\$580,000.00 from Section 79572(a) and \$134,420,000.00 from Section 79572(b)] to fund the grant amount; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

**It was moved by Mr. Fred Klass that the Board approve this project as proposed; allocate \$135,000,000.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 [\$580,000.00 from Section 79572(a) and \$134,420,000.00 from Section 79572(b)] to fund the grant amount; authorize staff to enter into appropriate agreements as necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.**

**Motion carried.**

4. Salton Sea Habitat Planning and Restoration Project, \$20,000,135.00  
Imperial and Riverside Counties

Mr. Wright reported that this proposal was to consider a cooperative project with the Department of Water Resources (DWR) to develop feasibility studies and restoration options for the restoration of the Salton Sea. The sea is located in the southeast corner of California in Riverside and Imperial Counties. Mr. Scott Clemons described the project and its location.

The Salton Sea was created by accident nearly 100 years ago when water diversion dikes inadequately built along the Colorado River collapsed during a flood. For about a year and a half the Colorado River, flooding the channel now occupied by the New River, emptied into the ancient Salton Basin before finally being brought under control and redirected into Imperial Valley irrigation canals or

down to the Gulf of Mexico. This accidental flood created what is now California's largest lake, based on surface area.

The Salton Sea is a desert lake with no outlet, with agricultural runoff from diversions from the Colorado River as its primary source of inflow. This runoff has been sufficient to maintain the sea's water level over the years. The sea's salinity has been increasing since its creation, due to concentration of salts through evaporation. Although its present salinity is about 25 percent saltier than ocean water, the sea supports a highly productive fishery and more than 400 species of resident and migratory birds. The endangered desert pupfish is the only native fish species in the sea. Introduced fish species, dominantly tilapia, Gulf croaker, orangemouth corvina and sargo, sustain an important sport fishery and provide the food base for millions of birds. The sea supports many species, including the endangered brown pelican, and significant populations of eared grebes and American white pelicans. There are more than 50 birds listed as special status species (i.e., endangered, threatened, fully protected, or species of concern) at the sea and its environs.

Unless actions are soon taken to control its salinity, the sea will, perhaps within a decade, become too saline to support its present fishery and associated avian populations. With conversion of some 98 percent of California's historical wetlands to other land uses, preservation of this remaining Pacific Flyway habitat area is of major importance. In an effort to determine the best way to restore this valuable resource, the Salton Sea Reclamation Act of 1998 was enacted, which directed the U.S. Department of Interior to complete a feasibility study of sea restoration by 2000 and to report the results to Congress. The federal study indicated that preserving the entire Salton Sea as it now exists (current salinity levels and associated fish and wildlife resources) would be infeasible, due to the sheer volumes of water and salt that would have to be managed to save the whole sea.

Since then, State efforts have focused on evaluating alternatives for sea restoration and preservation not covered in the federal effort – alternatives for restoration and preservation at a smaller scale. Complex negotiations are currently underway associated with the Colorado River Quantification Settlement Agreement (QSA). Parties involved in this effort include Imperial Irrigation District, Coachella Valley Water District, Metropolitan Water District and the San Diego County Water Authority, as well as all interested State and federal agencies, including the Department of Fish and Game, and many non-governmental organizations. The QSA is intended to provide a mechanism for California to manage the reduction from its historical deliveries of Colorado River water to the State's basic interstate apportionment. Agricultural to urban water transfers are part of this approach and, in some instances, would result in reduction of agricultural runoff to the Salton Sea. Reductions in water supplied to the sea would result in an increase in the rate of change of the sea's salinity and could accelerate the habitat degradation of the ecosystem. One of the goals of the QSA is to improve habitat values of the sea. Funding authorized by the Board for this project will not be encumbered until the QSA is signed.

To facilitate progress in the QSA negotiations and to ensure timely preservation of the sea's unique resources, this project will provide feasibility studies to guide the restoration and permanent protection of the wildlife habitat of the Salton Sea. Specifically, the studies will evaluate pilot-scale testing of components of proposed alternatives, and would include such components as embankment design, desalination pre-treatment, aeolian erosion control and wildlife habitat design. The study and the resultant programmatic environmental impact report/statement are to be completed by March 31, 2006. The goal of the State study is to identify an approach that provides the greatest diversity and quantity of fish and wildlife resources consistent with financial feasibility. Once these studies are complete, and the preferred restoration alternatives have been identified and approved, funding available pursuant to pending legislation (including the Salton Sea Restoration Act) and other available State and federal funding will be used to begin implementation of the habitat restoration.

The 2003 Budget Act (Item 3640-301-6031) provides \$32,500,000.00 under the Colorado River Acquisition, Protection and Restoration Program. Of this, \$10,000,000 as identified in the Act, and an additional \$10,000,000 from that same source, shall be made available to the DWR for feasibility studies and related expenses to guide the restoration and permanent protection of wildlife habitat of the Salton Sea and for the reduction of impacts on the sea resulting from water transfers related to the QSA; the treatment, desalination and reuse of a portion of agricultural wastewater and runoff flowing into the sea; the maintenance of stable shorelines for recreational access; and the preparation of an adaptive management process for the long-term conservation of the fish and wildlife species of the sea.

In addition to the costs listed above, an additional \$135.00 will be required for Department of General Services' review costs, bringing the allocation necessary for the Board's portion of the project to \$20,000,135.00. The Department of Fish Game has reviewed this proposal and recommends it for funding by the Board. These studies will provide the basis for environmental documents that will be prepared for the resultant restoration activities in the sea. The DWR will acquire any necessary permits.

Mr. Hight reported that yesterday the Governor signed three bills authorizing the quantification settlement agreement to go forward and the Salton Sea restoration process to go forward. He stated that the entire process involves transferring water from the Imperial Irrigation District to San Diego and that transfer process will leave the Salton Sea with less water. Through this process, we will have the ability to figure out options to restore the Salton Sea into an exceedingly valuable wildlife area, which was one of the key elements the Governor was concerned about in the entire Colorado River negotiations, that the Salton Sea be dealt with and restored to its greatest capacity. Mr. Hight stated that the agreement also provides \$300 million for that restoration and this money will go to the development of alternative plans.

Ms. Marsha Hanscom, representing the Wetlands Action Network, addressed the

Board in support of this project and explained why developing feasibility studies and restoration options are very important and should be considered. Mr. Hight stated that during the planning process the Department of Fish and Game will look at every conceivable option and welcomes their comments.

Mr. Jim Metropulos, representing the Sierra Club, addressed the Board in support of this project. He clarified information in the staff report regarding the creation of the Salton Sea. He pointed out that prior to the event where the dikes collapsed during a flood, which is where the current Salton Sea is now, the Colorado River was not contained by a dam, and water flowed freely through the area and collected in that basin. He also commented that he hoped the feasibility study done by the Bureau of Reclamation would not be a starting point for the feasibility study that the Department of Fish and Game will be doing with the DWR and believes they should start out new and look at various restoration options for the sea. He expressed appreciation to Governor Davis, Director Hight, Secretary Nichols, Richard Katz, Director Hannigan and Deputy Director Michael Spear, Acting Director for the Department of Water Resources, for their efforts in working on the QSA, having the environmental groups involved and getting the legislation signed and passed. He also expressed appreciation to Joe Caves for his efforts with the legislation and looking at ideas for the Salton Sea.

Mr. Joe Caves addressed the Board and on behalf of the National Audubon Society, expressed support for this project stating that this is a critical first step in looking at the Salton Sea and the Colorado River ecological system in a new way. He stated that the Governor's Office and the Administration has provided incredible leadership in putting together this package and urged the Board's support.

Staff recommended that the Board approve this project as proposed; allocate \$20,000,135.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Prop. 50), Section 79568; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

**It was moved by Mr. Fred Klass that the Board approve this project as proposed; allocate \$20,000,135.00 from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Prop. 50), Section 79568; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.**

**Motion carried.**

5. Grizzly Creek Forest, Expansion 1, Humboldt County \$18,300,000.00

Mr. Wright reported that this was a proposal to consider the acquisition of 691± acres of land as an expansion of the Grizzly Creek Forest for the protection of old growth redwoods and mixed conifer forest along with portions of the riparian corridors of Grizzly Creek and the Van Duzen River. The property is located within

the Van Duzen River drainage, about 20 miles easterly of the City of Fortuna on State Highway 36. The town of Bridgeville is located about 20 miles southeast of the project area. Mr. William Gallup described the project and its location.

Acquisition of the Grizzly Creek Forest began in 1999 pursuant to Assembly Bill 1986 as set forth in Chapter 615 of the Statutes of 1998 of the State of California to purchase designated lands within the Grizzly Creek Marbled Murrelet Conservation Area (MMCA). Consequently, the Wildlife Conservation Board approved the first acquisition in 1999 consisting of approximately 716± acres. The Department of Parks and Recreation (DPR) owns and manages the Grizzly Creek Redwoods State Park located adjacent to the subject property, and if this project is approved, the subject, along with the initial 716± acres, will be transferred to the DPR. The property will be owned and managed by State Parks.

The Department of Fish and Game (DFG) has identified this expansion as being critical to the protection of the old growth coniferous forest which is extremely important for recovery of the marbled murrelet, a federally threatened and State endangered species. The marbled murrelet is a small seabird in the alcid family found along the Pacific Coast from Alaska to California. At sea, it feeds by diving for small fish in near-shore waters, typically within 5 km of the coastline. The marbled murrelet is unique among seabirds in that it nests up to 40 km inland in old growth coniferous forests. In California, it nests almost exclusively in redwoods greater than 200 years old. The marbled murrelet is a long-lived slow-reproducing species, laying only one egg per year. Given these demographic characteristics, the vast majority of the population consists of breeding adults, whose survival is critical to sustaining the species.

The marbled murrelet's total California population is estimated at 6,450 individuals. The vast majority breed in the coastal redwoods of Del Norte and Humboldt counties. A relatively isolated population of approximately 500 birds breeds in the Santa Cruz Mountains of central California. Acquisition of the subject property will increase the likelihood that this species will survive by maintaining current nesting opportunities that are available within the MMCA.

In addition to providing quality marbled murrelet habitat, the subject property also includes nice stands of riparian habitat along Grizzly Creek and the Van Duzen River and provides habitat for additional listed species including Cooper's hawk, northern spotted owl, coho salmon, chinook salmon and steelhead trout as well as other animals including deer, black bear, mountain lion and raccoon, just to name a few.

The DFG Office of Spill Prevention and Response (OSPR) and the U.S. Fish and Wildlife Service (USFWS) along with other natural resource trustee agencies have been assessing injuries to natural resources, including those to marbled murrelets as a result of the Kure oil spill in 1997 and the Stuyvesant oil spill in 1999. Pursuant to the federal Oil Pollution Act (OPA), its implementing regulations, and the State Lempert-Keene-Seastrand Oil Spill Prevention and Response Act, the OSPR and the USFWS are authorized to collect damages for the injuries to

marbled murrelets and to use that money to develop and implement restoration projects for marbled murrelets, after public input. One of the preferred marbled murrelet restoration projects under consideration by the OSPR, the USFWS, and the other trustees is the acquisition and protection of the subject property. However, timing is an issue. To date these cases have not been settled, nor is there a judgment to provide the funding for such an acquisition. The DFG has concluded that this parcel has the most significant unprotected habitat available for immediate protection.

Funds earmarked for marbled murrelet habitat acquisition acquired through a settlement or civil judgment can be used to replace and/or supplement funds placed in escrow by the Board to purchase the subject property. The OSPR has advised that any use of such recovered funds would be conditioned upon compliance with the OPA's requirement for "adequate public notice, opportunity for a hearing, and consideration of all public comments," prior to finalizing and implementing a restoration plan.

In addition, any settlement of the trustees' claims for natural resource damages will be set forth in a judicial consent decree, subject to public comment, before the court enters it as a judgment. Furthermore, the National Environmental Policy Act (NEPA) and the California Environmental Policy Act (CEQA) apply to the approval of the Restoration Plan, of which a project(s) to address the MMCA injury would be a component.

This proposed acquisition is exempt from California Environmental Quality Act under Section 15313 Class 13 as the acquisition of land for wildlife conservation purposes and under Section 15325 Class 25 as the transfer of ownership in land to preserve open space, habitat or historical resources. Subject to approval of the Board, the appropriate Notice of Exemption will be filed with the State Clearinghouse.

The Department of General Services (DGS) has reviewed and approved the appraisal of the property at \$24,600,000.00. The owner has agreed to sell the property for \$18,200,000.00; consequently any value over the approved appraised value will be considered a donation to the State. It is anticipated that an additional \$100,000.00 will be needed to cover administrative expenses including appraisal and DGS' review costs, bringing the total proposed allocation for this project to \$18,300,000.00. However, as discussed above, the funding the Board may expend on the acquisition may be replaced or supplemented as described above for all or part of its acquisition costs. Any such funds received will be used for future Proposition 40 qualifying projects.

Earlier in the meeting, Mr. John Tommy Rosas expressed his support for this proposal. He stated that the redwoods are getting damaged from logging and that the logging should stop and the land restored.

Mr. Wright reported that he received a note from Assembly member Patty Berg that she regretted she was not able to stay for the remainder of the meeting and that

the entire community supports the purchase. Mr. Wright stated that the Board received letters of support from Joe Blum of the National Marine Fisheries Service, the U.S. Fish and Wildlife Service and Kate Anderton of Save the Redwoods League.

Mr. Flores asked if there were any questions or comments. There were none.

Staff recommended that the Board approve this acquisition as proposed; allocate \$18,300,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Fund (Prop. 40), Section 5096.650, for the acquisition and related expenses; authorize future replacement of funding for this acquisition pursuant to settlement or civil judgment; accept a portion of the approved appraised value as a donation from the landowner; authorize transfer of the Grizzly Creek Forest property to the Department of Parks and Recreation for inclusion into the Grizzly Creek Redwoods State Park; authorize staff to enter into agreements as necessary to carry out this acquisition as described; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

**It was moved by Mr. Michael Flores that the Board approve this acquisition of up to 691± acres as proposed; allocate \$18,300,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Fund (Prop. 40), Section 5096.650, for the acquisition and related expenses; authorize future replacement of funding for this acquisition pursuant to settlement or civil judgment; accept a portion of the approved appraised value as a donation from the landowner; authorize transfer of the Grizzly Creek Forest property to the Department of Parks and Recreation for inclusion into the Grizzly Creek Redwoods State Park; authorize staff to enter into agreements as necessary to carry out this acquisition as described; and authorize staff and the Department of Fish and Game to proceed substantially as planned. Motion carried.**

Mr. Wright thanked the many staff who worked very hard to prepare these projects for the Board's consideration. He also thanked Ms. Nancy Templeton, Staff Counsel, Mr. Stanley Young, Communications Director for the Resources Agency and Mr. Paul Mosley, a private attorney that has been counsel to the State and working specifically on the Ballona Wetlands project. Mr. Hight also expressed his appreciation to the staff.

Mr. Flores also thanked the Board staff for their work and to the audience for attending and providing input on the proposed projects.

With no further business to discuss, the meeting adjourned at 12:10 P.M.

Respectfully submitted,

Al Wright

Executive Director

Attachments

## PROGRAM STATEMENT

At the close of the meeting on September 30, 2003, the amount allocated to projects since the Wildlife Conservation Board's inception in 1947 totaled \$1,537,807,956.30. This total includes funds reimbursed by the Federal Government under the Accelerated Public Works Program completed in 1966, the Land and Water Conservation Fund Program, the Anadromous Fish Act Program, the Sport Fish Restoration Act Program, the Pittman-Robertson Program, and the Estuarine Sanctuary Program.

The statement includes projects completed under the 1964 State Beach, Park, Recreational and Historical Facilities Bond Act, the 1970 Recreation and Fish and Wildlife Enhancement Bond Fund, the Bagley Conservation Fund, the State Beach, Park, Recreational and Historical Facilities Bond Act of 1974, the General Fund, the Energy Resources Fund, the Environmental License Plate Fund, the State, Urban and Coastal Park Bond Act of 1976, the 1984 Parklands Fund, the 1984 Fish and Wildlife Habitat Enhancement Bond Act, the California Wildlife, Coastal and Park Land Conservation Act of 1988, Cigarette and Tobacco Products Surtax Fund of 1988, California Wildlife Protection Act of 1990, the Safe, Clean, Reliable Water Supply Act of 1996, the Natural Resources Infrastructure Fund, the Harbors and Watercraft Revolving Fund, Forest Resources Improvement Fund, the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000, Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act of 2000, California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund, Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 and the Wildlife Restoration Fund. In addition to projects completed with the above funding sources, this statement includes tax credits awarded under the Natural Heritage Preservation Tax Credit Act of 2000. The tax credits are not reflected in the total amount allocated to projects.

A. Fish Hatchery and Stocking Projects .....	\$16,006,219.06
B. Fish Habitat Preservation, Development & Improvement .....	24,602,180.88
Reservoir Construction or Improvement .....	\$ 5,518,592.00
Stream Clearance and Improvement.....	14,788,961.69
Stream Flow Maintenance Dams .....	542,719.86
Marine Habitat .....	646,619.07
Fish Screens, Ladders and Weir Projects .....	3,105,288.26
C. Fishing Access Projects.....	45,773,746.87
Coastal and Bay .....	\$ 3,537,906.11
River and Aqueduct Access .....	12,834,760.89
Lake and Reservoir Access.....	9,015,632.69
Piers .....	20,385,447.18
D. Game Farm Projects.....	146,894.49

E. Wildlife Habitat Acquisition, Development and Improvement .....	1,425,829,364.98
Wildlife Areas (General) .....	\$274,178,448.77
Miscellaneous Wildlife Habitat Development.....	25,597,068.74
Wildlife Areas/Ecological Reserves, (Threatened, Endangered or Unique Habitat) .....	575,706,802.59
Land Conservation Area .....	6,981,557.18
Inland Wetlands Conser. Grants & Easements ....	17,204,341.09
Riparian Habitat Conser. Grants & Easements ....	20,717,803.59
Other Wildlife Habitat Grants.....	505,443,343.02
F. Hunting Access Projects .....	484,898.57
G. Miscellaneous Projects (including leases) .....	11,945,430.29
H. Special Project Allocations.....	1,389,820.29
I. Miscellaneous Public Access Projects .....	11,080,312.80
State Owned .....	\$1,244,851.07
Grants .....	9,835,461.73
J. Sales and/or exchanges .....	549,088.07
K. Natural Heritage Preservation Tax Credit Act (tax credits awarded)...	(33,508,511.50)
Statutory plans.....	(0.00)
Corridors, wetlands, wildlife habitat, streams and riparian habitat .....	(6,232,435.50)
Agricultural lands .....	(712,726.00)
Water and water rights.....	(269,500.00)
State and local parks, open space and archaeological resources .....	(26,293,850.00)
 Total Allocated to Projects .....	 \$1,537,807,956.30

# BALLONA WETLANDS OVERVIEW AND SUMMARIES LOS ANGELES COUNTY

## Introduction

The Ballona Wetlands are the last, undeveloped and restorable wetlands of their kind in Los Angeles County. This is of particular importance since some 98% of coastal wetlands in Southern California have been destroyed or degraded. The Ballona Wetlands serve as a last refuge for several species of birds, animals, and plants and is possibly the last remaining area in the county that has the soil characteristics, hydrology, and seed bank that allow for successful wetland restoration.

The 1,087± acres of the original wetlands, once owned by industrialist Howard Hughes and serving as his private airport and birthplace of the famous "Spruce Goose" airplane, is currently owned by Playa Capital Company, LLC (Playa) or its affiliates. Stretching from the San Diego Freeway to the sea, this land has been a source of contention for well over 20 years between the landowners and those concerned about increased congestion and environmental degradation.

In 2001, the Trust for Public Land (TPL) optioned 192± acres of Playa's property located west of Lincoln Boulevard (138 acres depicted as "Area A" and 54± acres as "Area B Residential"). The project also includes 291± acres shown on the attached map as Ballona Wetlands Parcel, including 83± acres in the Ballona Creek. The total to be conveyed to the State is 483± acres.

The proposed acquisition provides congested Southern California with open space and important habitat for endangered and threatened species including the California brown pelican and Belding's savannah sparrow. The area is also a local nesting site of the great blue heron and habitat for at least ten species of reptile and amphibian species. Acquisition of the property, which the parties currently anticipate will occur 60 days following approval by the Wildlife Conservation Board, will set the stage for a comprehensive five-year restoration planning process led by the State Coastal Conservancy that will actively include members of the public.

### **Purchase Agreement Summary**

*The Purchase Agreement calls for Playa Capital Company, LLC (Playa) to convey properties in the City and County of Los Angeles located along the Ballona Creek for \$139 million to the State government. The Purchase Agreement between Playa and the State of California specifies which properties are being acquired and includes terms and conditions of the transaction.*

*The transaction relates to approximately 483 acres of real property and other real property rights located along the Ballona Creek, as shown on the attached map, including:*

***Areas A and B Residential** - Approximately 192 acres of fee property located west of Lincoln Boulevard. Approximately 138 acres of the fee property is labeled on the attached map as Area A and approximately 54 acres of the fee property is labeled on the map as Area B Residential. The entire 192± acres of fee property will be conveyed to the State for the purchase price.*

## ***Ballona Wetlands Overview and Summaries, Los Angeles, CA***

***Ballona Wetlands*** - Approximately 291± acres of fee property labeled on the attached map as the Ballona Wetlands Parcel. Of the 291 acres to be conveyed, approximately 83± acres lie within the Ballona Creek and approximately 208± acres lie outside the creek. The Ballona Wetlands Parcel will be conveyed to the State for no payment beyond that paid for Area A and Area B Residential.

***Release of Purchase Rights on Area C*** - A release by Playa of all remaining purchase rights it has in the property labeled Area C on the attached map. A trust currently holds Area C approximately 64 acres for benefit of the people of the State. Legislation will formally transfer title of this property to the State.

***Roadway Rights on Area C*** - A future release by Playa of an easement it holds on Area C to build a road across Area C to connect Culver Boulevard with Playa Vista Drive across a bridge to be built over the Ballona Creek. Playa is presently obligated to build the road and accompanying bridge in order to alleviate traffic resulting from its present development. Playa is attempting to obtain special relief from this obligation and will release its easement across Area C if, but only if, it obtains such relief prior to September 30, 2005. If Playa obtains relief prior to September 30, 2005, it will relinquish its easement for the road for no payment beyond that paid by the State for Area A and Area B Residential.

The property is to be conveyed by Playa to the Department of Fish and Game, Wildlife Conservation Board. Fish and Game will be the initial steward of the land.

The \$139 million negotiated purchase price is payable at closing, which is scheduled to occur 60 days following approval of the acquisition by the California Wildlife Conservation Board. The Purchase Agreement provides for possible extensions of the closing to December 31, 2003 if necessary to address specified title or survey issues, or to satisfy specified conditions to the close of escrow.

## *Ballona Wetlands Overview and Summaries, Los Angeles, CA*

### *Appraisal:*

*The State contracted for, and the California Department of General Services approved, an independent appraisal of the portion of the property to be purchased, Area A and Area B Residential. The appraisal was performed by qualified independent appraisers licensed by the State of California, in conformance with the Uniform Standards of Professional Appraisal Practice. The appraisal is further discussed in the Summary of Appraisal, below.*

### *Tax Benefit Sought:*

*Playa believes the negotiated purchase price for Area A and Area B Residential is below the value of such portions of the property and intends to seek a tax benefit for this conveyance. Playa also intends to seek a tax benefit for the conveyance of the Ballona Wetlands Parcel for no additional consideration. The amount of any charitable gift will be determined by relevant government authorities. The State will acknowledge Playa's intent to make a charitable contribution and accept such gift of the property to the extent the fair market value of all the property conveyed exceeds the purchase price. The State is making no guarantee regarding the tax treatment of the transaction.*

### *Freshwater Marsh:*

*Although not a part of this transaction, in connection with its development of adjacent property, Playa has created a freshwater marsh located at the Southwest corner of Lincoln and Jefferson Boulevards. The area within which the freshwater marsh has been created is approximately 38 acres and is labeled on the attached map. Playa continues to own the marsh and approximately 22 acres next to the marsh, which additional property is labeled on the attached map as the Expanded Wetlands Parcel. In connection with its previous option to purchase Area C, Playa agreed to convey both the freshwater marsh and the Expanded Wetlands Parcel (approximately 60 acres in the aggregate) to the State of California. This agreement is still in effect even though the option in favor of Playa has expired. If the State elects not to accept the conveyance, then Playa must offer to convey these properties to the City of Los Angeles. It is anticipated that the State will accept the conveyance and that the conveyance will occur in early 2004. After conveyance, Playa must either maintain or provide for maintenance of the freshwater marsh in perpetuity.*

### *Southern California Gas Parcel:*

*Playa owns fee title to a small property adjacent to the Ballona Wetlands Parcel labeled on the attached map as the Southern California Gas Company parcel. Southern California Gas Company holds a perpetual right to occupy the parcel for purposes of accessing an underground natural gas storage facility, and presently maintains above ground storage tanks and other facilities used to store and distribute natural gas. The rights held by Southern California Gas Company were originally sold*

***Ballona Wetlands Overview and Summaries, Los Angeles, CA***

*to its predecessors by the U.S. government after World War II when the federal government divested itself of petroleum reserves condemned for use during the war. Southern California Gas Company also holds other easements for oil and gas wells in the area, including easements for gas wells located on the property to be conveyed by Playa to the State. Gas wells are presently used to monitor the underground natural gas storage facility and, in some instances, to pump natural gas into and out of the storage facility.*

The State may not take ownership of the land occupied by Southern California Gas Company in connection with this transaction.

Playa has informed the State that it intends to transfer its fee interest in the Southern California Gas Company parcel to the Southern California Gas Company concurrently with its conveyance to the State of Area A, Area B Residential and the Ballona Wetlands Parcel, so long as negotiations provide for the State's ability to acquire this property at no cost should the Southern California Gas Company ever offer the property for sale. If unsuccessful, the property may be transferred to the State as part of this transaction.

*Parties' Obligations and Conditions:*

*The parties' obligations to close the transaction are subject to conditions, including:*

*The State must approve title of the property and be reasonably satisfied with matters disclosed by surveys of the property, including environmental surveys, and be satisfied that existing lawsuits and judgments affecting the property do not impose obligations upon the property for which the State will have responsibility following the conveyance.*

*The State must receive and approve a commitment from the Trust for Public Land, or a similar organization, to provide initial stewardship of the property for a period of up to five years following the conveyance, during long term restoration planning for the property.*

*Except as specified in the Purchase Agreement, the State is acquiring the property in its current condition.*

*No Release of Playa's Liability:*

*The State is not releasing Playa from any liability for the clean up of hazardous materials, if any, required under applicable law. Southern California Gas Company is liable under existing law for contamination on the property, if any, associated with its wells and operations.*

*Environmental Surveys:*

## ***Ballona Wetlands Overview and Summaries, Los Angeles, CA***

*Various environmental surveys of the property, including an environmental site assessment, have been performed to evaluate the suitability of the property for development. An updated environmental site assessment is being performed in accordance with current professional (ASTM) standards, which updated assessment will be available for review and approval by the State prior to the conveyance. The following environmental conditions are known to exist on the property:*

*Naturally occurring soil gases, including methane, have been detected on the property. Levels of methane detected on the property are generally lower than levels detected on adjacent property where residential development is underway.*

*Historic oil and natural gas wells exist on the property, including wells that have been abandoned and wells that are presently used by Southern California Gas Company to monitor and operate its underground natural gas storage facility.*

*Portions of the property have been used in the past as (i) a repository for sludge dredged from the Marina Del Rey harbor, (ii) a landfill for agricultural waste, and (ii) a gun club.*

*Testing of both soil and groundwater on the property, including testing intended to address the historical uses of the property, has identified localized areas on the property where minor amounts of contaminants are present. The updated environmental assessment will further evaluate the risk associated with the identified contaminants.*

### ***Special Tax (Mello-Roos District) Issues:***

*The portion of the property referred to as Area B Residential is presently located within the boundaries of a Mello-Roos Community Facilities District known as CFD No. 5, which district is under the jurisdiction of the City of Los Angeles. Property located within the boundaries of CFD No. 5 may be assessed a special tax to pay for the construction of streets, sewers and other infrastructure in the district. Playa has represented that all but approximately one-half of one acre of the property to be conveyed to the State is exempt from taxation by the district. The Purchase Agreement requires that Playa provide evidence of the exemption to the State prior to the conveyance. The district has not yet issued any bonds, and no special tax is currently payable. However, Playa has agreed to pay any special tax levied against the property and to cause the property to be removed from the boundaries of the district within five years. If removal is not accomplished within five years, then Playa has committed to provide to the State cash collateral that may be used to pay all future levies, if any, payable by the State with respect to the property.*

### ***Existing Rights and Leases:***

*Various parties have acquired from Playa, and from Playa's predecessors, rights to occupy small portions of the property. The State will take the property subject to these rights, including:*

## ***Ballona Wetlands Overview and Summaries, Los Angeles, CA***

*Leases granted by Playa to the County of Los Angeles for parking for the County Sheriff and for the Department of Beaches and Harbors upon a small portion of Area A. These leases may be terminated by the State.*

*A lease granted by Playa to the County of Los Angeles Flood Control District to access the Ballona Creek from Area A to remove trash and debris. This lease may also be terminated by the State.*

*A license granted by Playa to a group known as Friends of Ballona Wetlands who perform work to restore sand dunes located in the Ballona Wetlands Parcel. This license is presently being modified by Playa and the Purchase Agreement allows the State to accept or reject the license in its modified form.*

*A license to the Ballona Wetlands Foundation allowing the Foundation (in association with Loyola Marymount University) to restore habitat and perform other educational functions within a portion of the Ballona Wetlands Parcel. This license is also being modified by Playa and the Purchase Agreement allows the State to accept or reject the license in its modified form.*

*Licenses granted to several business owners along Culver Boulevard for minor encroachments upon the Ballona Wetlands Parcel. These licenses are all terminable and are subject to review by the State prior to closing.*

*Easements running in favor of Southern California Gas Company for gas wells to monitor its natural gas storage facility and to inject and remove natural gas from its storage facility.*

*Easements running in favor of a majority of homeowners located along the Western boundary of the Ballona Wetlands Parcel for small encroachments.*

*Easements running in favor of Playa for the widening of Culver and Lincoln Boulevards and for the installation of other infrastructure relating to the Playa Vista Development.*

*Approval by State:*

*The Purchase Agreement is subject to approval by the California Wildlife Conservation Board, which will be considered at a public meeting, and by the Director of the California Department of General Services following WCB action.*

### **Appraisal Summary**

An independent appraisal analysis was performed on Area A and Area B Residential by Members of the Appraisal Institute (MAIs) who are also Certified General Real Estate Appraisers licensed by the State of California. The appraisers certify that they have no financial interest in the property, nor do they have any bias with respect to the parties involved in the transaction. The valuation report and analysis conform to the Uniform

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Standards of Professional Appraisal Practice (USPAP), the supplemental requirements and Code of Professional Ethics of the Appraisal Institute, and generally accepted appraisal practice.

The property appraised contains approximately 192 acres (Area A & Area B Residential) and has prior approvals from the California Coastal Commission and local jurisdictions, but the prior plan requires modification and the property requires further significant approvals from each of the jurisdictions including the Coastal Commission before any development could occur. There are also sensitive environmental resources that would limit the development footprint ultimately approved for the property. After thorough interviews and analysis, the appraisers determined that the highest and best use of the property is future development with primarily residential uses, and on-site preservation and enhancement of wetland and buffer areas. About 65 acres of the property was projected to be set aside as open space. Therefore, if the property were developed to its highest and best use, little or no off-site mitigation would be required. Also reflected in the valuation are 3 ½ - 4 ½ years of entitlement and projected litigation delays prior to development.

In preparing the appraisal, the appraisers performed the following tasks:

The property and surrounding area were inspected several times by the appraisers, including an inspection with the property owners and representatives of the Wildlife Conservation Board on June 10, 2003;

The physical, legal, and economic characteristics of the property were investigated, including review of numerous public and consultant documents.

Representatives of City, County, and State planning and land use departments and commissions were consulted, as were documents including relevant planning and land use regulations and maps. A partial list of individuals interviewed for this appraisal includes members of neighborhood/preservation groups, staff (planning and scientific) of the California Coastal Commission, the Executive Director of the Coastal Commission, the Chair of the Coastal Commission, the Director of the California Department of Fish and Game, Southern California Gas Company representatives, City and County planning officials, property owner representatives and consultants, and attorneys for both the State and property owner;

The relevant regulations relating to wetlands and other environmentally sensitive areas were investigated, particularly in light of the Coastal Commission jurisdiction and Bolsa Chica appellate decision;

Both the 'sales comparison' and 'subdivision development analysis' approaches were used in valuing the property. These two approaches are commonly relied upon by market participants for a property such as the land in question. There are no other approaches that would be relevant in this case and the two approaches were reconciled into a final conclusion of fair market value for the

entire property;

The Department of General Services (DGS) reviewed the appraisal and concluded that the content, analysis and conclusions stated in the report are in compliance with the applicable (DGS) standards and requirements of the USPAP. DGS also approved the fair market value opinion stated in the appraisal report.

### **Interim Management**

As part of this transaction, the Trust for Public Land (TPL) has agreed to provide initial stewardship of the property consistent with the stewardship Playa has been providing at the Ballona Wetlands for the last decade. This obligation would begin at the close of escrow and last for not more than five years, while long-term restoration planning is underway. The goal of interim management would be to preserve the property in its existing condition. Stewardship activities would include security, maintenance and repair of existing property fencing, weed abatement and trash removal, and invasive non-native species control.

The California Department of Fish and Game will designate a contact person for the property and act as a liaison between TPL and the public.

The State asked TPL to provide interim property stewardship to bridge the gap between the State taking ownership and the completion of the comprehensive long-term restoration planning (summarized below) which the State Coastal Conservancy has agreed to fund and lead. The Conservancy estimates that this planning (including environmental (CEQA) review and permitting) will take approximately five years, a fact that was central to determining the duration of the interim stewardship period. The plan will be the means by which the State determines the final disposition for ownership and management.

### **Summary of Long-Term Restoration Planning for Ballona Wetlands**

The natural resource goals for the long-term restoration planning for the Ballona Wetlands are:

- restore tidal circulation to the extent feasible;

- provide the range of freshwater, brackish and saltwater wetland habitat that is typically associated with a coastal estuary; and

- provide significant new habitat area for a variety of native species of plants and animals, including migratory birds.

Additional long-term restoration planning goals include:

- providing for cost-effective flood management;

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protecting cultural resources; and

providing appropriate public access, public recreation, educational and interpretive opportunities.

A collaborative planning process will be organized to develop the technical studies necessary to design long-term restoration plans and meet these goals in a timely and cost-effective manner. A project management team will be organized under the leadership of the Southern California Wetlands Recovery Project (SCWRP) and will be composed of seventeen State and federal agencies including the U.S. Fish and Wildlife Service, National Marine Fisheries Service, and the California Coastal Commission. The California Coastal Conservancy will provide the initial funding for this planning initiative.

In order to ensure the development of a scientifically sound and public supported plan, the project team will establish a technical advisory panel and actively engage all stakeholders including regulatory agencies, conservation groups, local governments and regional planning entities such as the Santa Monica Bay Restoration Commission. This substantial new public acquisition will enable all prior planning to be extended and refined, with frequent opportunities for organizations, agencies and individuals to become involved in the planning process. Completion of the initial stage of scientific studies and engineering feasibility analyses is currently anticipated within two to three years.

Information regarding the Ballona Wetlands Restoration project, including meeting notices, technical studies and project updates, will be made available at a future date to the public through the SCRWP website, [www.coastalconservancy.ca.gov/scwrp](http://www.coastalconservancy.ca.gov/scwrp).

### **Public Availability of Purchase Agreement and Environmental Surveys**

Copies of the full Purchase Agreement, and the environmental surveys of the properties proposed to be acquired are available for viewing by the public during regular business hours at the following locations:

1. Wildlife Conservation Board  
1807 13<sup>th</sup> Street, Suite 103  
Sacramento, California 95814  
(916) 445-8448  
Contact: Mary Grande
2. The California Resources Agency  
1416 Ninth Street, Suite 1311  
Sacramento, California 95814  
(916) 653-5656  
Contact: Amanda Soward

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3. Los Angeles River Center and Gardens  
570 West Avenue Twenty-six (at San Fernando Road)  
Los Angeles, California 90065  
(323) 221-9959, Ext. 0  
Contact: Receptionist
  
4. Franklin Canyon Park  
2600 Franklin Canyon Drive  
Beverly Hills CA 90210  
(310) 858-7272, Ext. 0,  
Contact: Bree Robb