



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: DECEMBER 15, 2016**

**FROM: ENVIRONMENTAL MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - MEMORANDUM OF INTENT  
BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT  
AND THE CALIFORNIA STATE LANDS COMMISSION RELATING TO  
THE BOLSA CHICA LOWLANDS RESTORATION PROJECT**

**SUMMARY:**

Staff requests the Board of Harbor Commissioners (Board) authorize the Executive Director to execute a Memorandum of Intent (MOI) between the City of Los Angeles Harbor Department (Harbor Department) and the California State Lands Commission (Commission) to memorialize the intent and commitment to pursue establishing an agreement whereby the Harbor Department would contribute \$2,500,000 to the Bolsa Chica Lowlands Restoration Project (Project) over a 10 year period to allow for the continued adaptive management of the ecological system in exchange for mitigation credits resulting from these activities in exchange for this contribution.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Authorize the Executive Director to execute the Memorandum of Intent, substantially in the form attached as Exhibit A, between the City of Los Angeles Harbor Department and the California State Lands Commission; and
3. Adopt Resolution No. \_\_\_\_\_.

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SUBJECT: BOLSA CHICA LOWLANDS RESTORATION PROJECT

**DISCUSSION:**

Background/Context - In 1996, the Commission and the Harbor Department, along with seven other state and federal agencies and the Port of Long Beach partnered in an unprecedented collaboration to restore and preserve a large area of the Bolsa Chica Lowlands. The Project created or rehabilitated nearly 600 acres of marine and wetland habitat in Orange County, California, restoring part of what had historically been a vast estuarine ecosystem. The Project was a cooperative effort involving partnership through an agreement among several stakeholder agencies (Interagency Agreement) including the Commission, California Department of Fish and Wildlife (CDFW), State Coastal Conservancy, California Natural Resources Agency, U.S. Fish and Wildlife Service (USFWS), U.S. Army Corps of Engineers (USACE), National Marine Fisheries Service (NMFS), and the U.S. Environmental Protection Agency (EPA).

Out of the \$151 million available for the Project, \$101.4 million came from the ports in exchange for mitigation credits needed to expand their multi-modal services, which included new fill in San Pedro Bay. The Project is the largest tidal wetland restoration in Southern California history. Post-restoration monitoring has shown that the Project has meaningfully increased the availability of tidal habitat, improving southern California fishery resources. In addition, increases in habitat quantity and quality at the Bolsa Chica Lowlands, have greatly enhanced its role as a critical stop for migrating birds on the Pacific Flyway.

The current management structure of the Project is governed by the Interagency Agreement; although the Commission holds land title, administers the management funds and performs general management oversight for the Project, all expenditures and key management decisions are made by an oversight committee composed of representatives from the Commission, NMFS, USFWS, EPA, USACE, and CDFW (the "Managing Agencies"), pursuant to the Interagency Agreement.

The Project is now facing a critical funding deficiency. The \$15 million set aside for ongoing maintenance is inadequate to meet the long term adaptive management needs. The Project restoration design requires management of an open ocean inlet, to ensure the continued functioning of the wetland and to protect the biological benefits gained by the restoration investment. Other ongoing management costs include on-site CDFW staff, repairs, maintenance and consultants, for an estimated total operational cost of \$3 million annually.

The Interagency Agreement also grants mitigation credits for fish and wildlife habitats, for the creation of Bolsa Chica's tidal inlet, and for restoration of muted, tidally influenced habitat within the Project's Muted Tidal and Muted Pocket Areas. No mitigation credits

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were granted for creation of eelgrass habitat. Nevertheless, a small scale planting effort of approximately one acre was initiated by volunteers. Within five years the eelgrass was well established, with the 2011 surveys documenting well over 100 acres of eelgrass in the Full Tidal Basin. The establishment of eelgrass within the Project was not a requirement of the restoration plan, and was established after the completion of the restoration and the Harbor Department's compensatory mitigation requirements. As such, the Commission believes the unassigned eelgrass habitat has value and is available for mitigation purposes.

Purpose - The purpose of the proposed MOI (Transmittal 1) is to memorialize the intent and commitment of the Harbor Department and the Commission to expeditiously pursue establishing an agreement whereby the Harbor Department would contribute \$2,500,000 over a 10 year period to ongoing maintenance of the Project in exchange for mitigation credits.

#### **ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of a MOI with the Commission to pursue establishment of an agreement for the Harbor Department to contribute to future maintenance of the Bolsa Chica Lowlands Restoration Project in exchange for future mitigation credits, which is an administrative activity. As such, the Director of Environmental Management as determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

#### **FINANCIAL IMPACT:**

There are no financial obligations associated with execution of the proposed MOI. At such time as an agreement is reached, funds for future years will be requested to be budgeted as part of the annual budget adoption process, upon Board approval.

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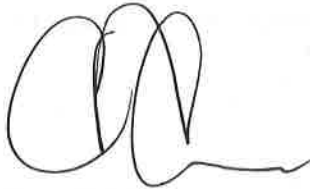
**CITY ATTORNEY:**

The Office of the City Attorney has reviewed this Memorandum of Intent and approved it as to form and legality.

**TRANSMITTALS:**

1. Memorandum of Intent

FIS Approval: MB (initials)  
CA Approval: SM (initials)



CHRISTOPHER CANNON  
Director of Environmental Management

*FOR*   
MICHAEL DIBERNARDO  
Deputy Executive Director

APPROVED:



*FOR*  
EUGENE D. SEROKA  
Executive Director

CC:yo  
AUTHOR: K. Prickett

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