



CITY OF

NEWPORT BEACH

City Council Staff Report

February 11, 2020
Agenda Item No. 15

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: Approve an Agreement with Newport Bay Conservancy to Designate
Funds for Restoration Work in Big Canyon Phase 2A (20X12)

ABSTRACT:

The Big Canyon Phase 2A project (20X12) includes the removal of non-native trees and plants, minor re-contouring of the creek banks to promote a stable flood plain, supplementing the soils and installing a temporary irrigation system, and replanting the area with a native-plant palette that is fire and pest resistant (Attachment A).

Newport Bay Conservancy (NBC) is the recipient of two grants totaling \$1,688,731 to restore eleven acres in the Phase 2A area of Big Canyon Nature Park. In accordance with the terms and conditions of the attached agreement ("Agreement"), NBC will use these grant funds to reimburse the City for costs associated with implementing the Big Canyon Phase 2A restoration construction project.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Authorize the City Manager to execute an Agreement with Newport Bay Naturalists and Friends (DBA Newport Bay Conservancy) to designate \$1,688,731 of grant funds for restoration work in Big Canyon Nature Park; and
- c) Approve Budget Amendment No. 20-032 recognizing contribution funds of \$1,688,731 from Newport Bay Conservancy in Account No. 13801-511050-20X12 and appropriating \$1,688,731 in increased expenditures for the Big Canyon - Phase 2A (20X12) in Account No. 13801-980000-20X12.

FUNDING REQUIREMENTS:

The Budget Amendment (Attachment F) recognizes \$1,688,731 in increased revenue (Account No. 13801-511050-20X12) from Newport Bay Conservancy and appropriates \$1,688,731 in increased expenditures for the Big Canyon - Phase 2A project (Account No. 13801-980000-20X12) (Attachment F).

Pursuant to the Agreement terms with NBC, the City agrees to set aside \$100,000 from the Upper Newport Bay Tidelands Fund in order to pay for any auxiliary tasks or improvements such as trail improvements, or other unforeseen and non-grant eligible costs associated with the project. The additional funds will be included in the proposed FY 2020-21 Capital Improvement Program (CIP) budget.

DISCUSSION:

The City and NBC have been working together cooperatively on a plan to restore the Phase 2A area of Big Canyon Nature Park, which has become heavily vegetated with non-native, invasive trees, notably the Brazilian Pepper Tree. NBC previously obtained grant funding to hire a consultant to prepare a restoration design for the Phase 2A area. The construction documents have now been completed.

NBC has now been awarded two grants totaling \$1,688,731 to fund the implementation of the Phase 2A restoration: (1) California Department of Fish and Wildlife grant agreement for \$638,740 (Attachment C); and (2) State Coastal Conservancy agreement for \$1,049,991 (Attachment D).

Pursuant to the Agreement with NBC, the City agrees to manage the construction; hire a construction contractor; hire biological and cultural monitors, geotechnical consultants, and outside contract inspectors; and hire consultants and contractors for performing post construction monitoring and maintenance. In return, NBC commits to reimburse the City for these costs using their grant funding pursuant to the process outlined in the agreement.

To meet the grant match requirement specified in the State Coastal Conservancy agreement, NBC and City will provide a contribution \$109,145, in the form of staff management, inspection and administration services, to complete the project.

With this agreement in place, City staff will work with NBC and the Regulatory Agencies to complete any remaining permitting and approvals, and then the City will bid and award the necessary construction contract later this year and be ready to commence work at the end of the bird-breeding season.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find the Agreement with NBC is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

City Council, on January 22, 2019, adopted Resolution No. 2019-9 which adopted Mitigated Negative Declaration No. ND2018-001, (SCH 2018081098), including the Mitigation Monitoring and Reporting Plan, prepared for the Big Canyon Coastal Habitat Restoration and Adaptation Project - Phase 2A (PA2018-078), pursuant to the California Environmental Quality Act, State CEQA Guidelines and City Council Policy K-3 (Attachments E and E1).

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Location of Phase 2A in Big Canyon Nature Park
Attachment B – Agreement with Newport Bay Conservancy
Attachment C – CDFW Agreement
Attachment D – SCC Agreement
Attachment E – January 22, 2019 City Council Staff Report
Attachment E1 – Resolution No. 2019-9
Attachment F – Budget Amendment