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CONSERVANCY

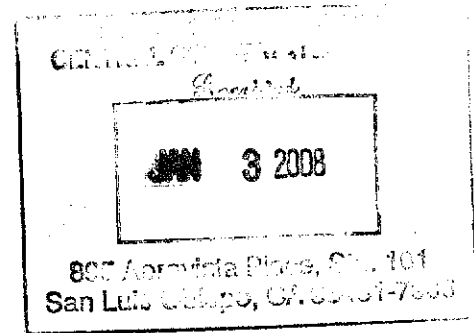
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Avila Ranch, San Luis Obispo County

A Conservation Project by American Land Conservancy

Proposal for Funding from the Water Board CCR Guadalupe Account -
Healthy Functioning Watersheds
January 2008

Mr. Roger W. Briggs, Executive Officer
Mr. Michael Thomas, Asst. Executive Officer
Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401



Dear Mr. Briggs and Mr. Thomas:

Thank you for this opportunity to submit a proposal for partial funding for the Avila Ranch project in coastal San Luis Obispo County. For the reasons stated in this letter, not only does this project represent a rare and remarkable conservation opportunity for the Water Board, it also provides a good fit for funding from the Guadalupe account, by providing protection to and restoration of significant watersheds in the region. In addition, the Avila Ranch project meets the legal criteria for funding: First, it is squarely located within the Water Board's Central Coast jurisdiction; and second, the project is a water-quality type project, consistent with several other land acquisition transactions funded by the Water Board (including prior investments in the Irish Hills, where Avila Ranch is located.)

Project Summary

Avila Ranch (formerly known as "Leucadia Ranch" and the "Sullivan Property") comprises approximately 2400 acres located along San Luis Bay between Avila Beach and Port San Luis. Avila Ranch is the number one conservation priority within the Irish Hills region, which is recognized as one of California's outstanding conservation areas by the Nature Conservancy, the David and Lucile Packard Foundation, the Land Conservancy of San Luis Obispo County, and American Land Conservancy.

American Land Conservancy (ALC) has an option to purchase the long term leases that control all uses of the land for the next approximately 160 years. (ALC is also beginning discussions with PG&E regarding the acquisition of the underlying fee interest from that

entity, which controls uses of the property in years 160 and beyond.) The purchase price, established by appraisal undertaken for ALC, is \$24 million, reflecting the relatively high development potential of the property, including its location mostly outside of the coastal zone.

ALC plans to acquire the Avila Ranch land interests and subsequently transfer those interests to the State for the establishment of a new state park and recreation area. To do so, ALC has launched a campaign to raise the necessary funds from a variety of public and private sources. By working together with the local community, public agencies, businesses, and partner organizations, we have an opportunity to preserve one of California's unique landscapes for future generations to use and enjoy.

The preservation value of Avila Ranch is increased by its location adjacent to the pristine and undeveloped Hibberd Preserve, owned by the Land Conservancy of San Luis Obispo County. ALC is working with the Land Conservancy and State Parks to coordinate the transfer of the Hibberd Preserve to the state with the acquisition of Avila Ranch. Together, these properties would create a new 4000-acre State Park, accessible for resource protection and public recreational activities. These properties, connected to other conserved lands in the Irish Hills (including the Wright properties, and other properties under contract with other conservation organizations), also enable the some twenty-mile extension of the California Coastal Trail from Montana de Oro State Park to Avila Beach and beyond.

Avila Ranch Resources

Avila Ranch is a spectacular stretch of undeveloped yet unprotected coastal property. It provides a relatively intact example of historic coastal California. Scenic views from the Ranch stretch over 180 degrees from the San Luis Range inland, to sweeping vistas of the Pacific Ocean across San Luis Bay. Avila Beach, Olde Port Beach, and the San Luis Pier are among the sites visible from the property, as well as the rugged woodland hills and rocky outcroppings of the Ranch's interior.

Avila Ranch contains a diverse and largely undisturbed collection of natural resources. Its coastal bluffs, terraces, and inland areas support coastal scrub, coast live oak woodlands, wildflower fields, and maritime chaparral. Special status species thought to occur on Avila Ranch include the western pond turtle, two striped garter snake, coast range newt, pallid bat, Townsend's big eared bat, Cooper's hawk, sharp-shinned hawk, Bell's sage sparrow, merlin, golden eagle, California horned lark, yellow-breasted chat, California spotted owl, burrowing owl, long-eared owl, yellow warbler, and tricolored blackbird.

The **riparian resources** of the Ranch are significant. Within the Ranch, the watersheds of Wild Cherry Canyon, upper Harford Canyon Creek, the headwaters of Rattlesnakes Canyon Creek, and the eastern half of the Upper Pecho Creek, support aquatic species including the threatened California Red-legged frog as well as riparian forests suspected to be rich in neotropical migratory birds. An estimated six miles of riparian habitat will

be protected by this single acquisition – a watershed-scale protection effort that is rarely found today, particularly along the coast.

Indeed, **the Regional Board has already recognized the riparian and watershed significance of this project.** In the early part of this decade, the Regional Board allocated \$1.25 million toward this project (formerly known as the Leucadia Ranch) from the Avila settlement. When negotiations with the acquiring entity (The Nature Conservancy) broke down in 2003, that money was subsequently re-allocated towards another TNC project. Now that the same property is under contract with ALC, the Regional Board has a second chance to protect this property – and all its riparian and other remarkable ecological resources.

Recreational Opportunities

Avila Ranch, along with other protected properties of the Irish Hills, would provide multiple public recreational opportunities as a State Park. One of the most exciting possibilities is the estimated 20-mile extension of the California Coastal Trail south from Montana de Oro State Park. It would also complement existing recreational plans in San Luis Obispo County. For example, the project is adjacent to the San Luis Lighthouse, where efforts are well underway to make this historic resource more accessible to the public. Avila Ranch is also a natural extension of the Bob Jones City to Sea trail, a walking and biking trail stretching from the City of San Luis Obispo to Avila Beach.

With easy accessibility from San Luis Bay Drive and proximity to Highway 1, Highway 101, and the community of Avila Beach, the property would well-serve the growing number of Californians seeking to experience the beauty and open space of the Central Coast. The property is also suitable for a system of hiking trails, possible campsite amenities, and other visitor facilities (consistent with resource protection). At 4000 acres (including Avila Ranch and Hibberd Preserve), the size of the project alone suggests many possible public uses.

Timeframe, Budget, and Funding Request

The timeframe in which to seize the Avila Ranch opportunity is brief. ALC has until August 2008 to raise all of the funding necessary (\$24 million) to secure this significant piece of coastal California natural history. Funding sources are expected to include the following:

California State Parks (incl. Prop. 12 Irish Hills money)	\$ 8,000,000
California State Coastal Conservancy	\$ 7,000,000
California Wildlife Conservation Board	\$ 6,000,000
State Environmental Enhancement and Mitigation Program	\$ 1,500,000
SLOCOG State Transportation Improvement Program	\$ 350,000
Private/Local Funding Sources	\$ 200,000
Water Board Guadalupe Account (approx. 3.9%)	\$ 950,000
TOTAL	<u>\$ 24,000,000</u>

Accordingly, ALC's specific request for funding from the Guadalupe account is **\$950,000**, which represents approximately 3.9% of the total purchase price. This grant, therefore, would be a highly leveraged and unusual funding opportunity for the Regional Board.

Other Project Highlights

The protection of the 2400 acre, riparian rich Avila Ranch provides a rare conservation opportunity for the Central Coast. In particular, and to summarize major project benefits, conservation of Avila Ranch accomplishes the following:

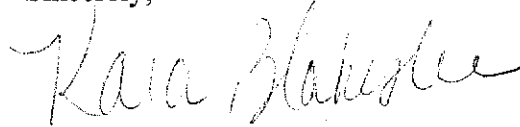
- (1) The prevention of development on 2400 acres of highly-desirable, scenically remarkable, and highly developable central coast real estate;
- (2) Watershed-scale protection of key central coast riparian, coastal, and upland communities, and all the animal and plant species they support;
- (3) The creation of new public recreational opportunities, including a significant extension of the California coastal trail, which will become even more important as the California population continues to rise dramatically;
- (4) Avila Ranch drains to a "priority beach," which is listed on the Water Board's 303(d) list as impaired and in need of protection;
- (5) With grazing either removed, or replaced with a management plan for best management practices, the Avila Ranch will provide an excellent example of riparian corridor and watershed restoration. This will directly support and be a prime public example of the Water Board's vision for healthy, functioning watersheds; and
- (6) The Water Board's granting of \$950,000 represents a great leveraging of its investment, to be matched over 2500% (25 times) by other sources.

Summary

The Avila Ranch project provides a rare opportunity to prevent development of 2400 acres of coastal, riparian- and watershed-rich land along the Central Coast. With the Water Board's assistance, we can successfully complete the acquisition of the Avila Ranch interests, merge those with the Hibberd Preserve, and create a 4000 acre new State Park for resource protection and public access. We respectfully ask for your assistance in making this opportunity a reality, by using \$950,000 of Water Board funding to leverage this \$24 million conservation transaction.

Please contact Avila Ranch project director Kara Blakeslee (805/440-6650; karaslo@charter.net) for any additional information or questions. We urge your support in making this rare conservation opportunity a reality.

Sincerely,



Kara W. Blakeslee
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Enclosures:

- (1) Avila Ranch Project Brochures, including map (10)
- (2) Avila Ranch EEMP Program Application, including letters of support for EEMP grant by:
 - a. **Ruth Coleman**, Director, California State Parks
 - b. **Jerry Lenthall**, District 3 Supervisor and Chair, SLO County Board of Supervisors;
 - c. **Abel Maldonado**, California State Senator, 15th District
 - d. **Sam Blakeslee**, California State Assemblyman, 33rd District
 - e. **James Patterson**, Chair, SLO Council of Governments
- (3) American Land Conservancy's Strategic Vision
- (4) American Landscapes, Newsletter of ALC, Fall 2007