



AGENDA REPORT

CITY OF SAN CLEMENTE

CITY COUNCIL MEETING

910 Calle Negocio
2nd Floor
San Clemente, California
www.san-clemente.org

Meeting Date: September 17, 2024

Agenda Item: 10A

Submitted By: City Manager

Prepared By: Leslea Meyerhoff, Coastal Administrator
Andy Hall, City Manager

Subject:

UPDATE ON THE UNITED STATES ARMY CORPS OF ENGINEERS SHORELINE PROTECTION PROJECT, NEXT STEPS IN THE PROCESS, AND CONSIDERATION OF ADDITIONAL FINANCIAL COMMITMENT TO COMPLETE THE INITIAL PHASE OF THE PROJECT

Fiscal Impact:

The estimated City (non-federal local share) costs are estimated to be about \$2.6 million. In an effort to minimize the fiscal impact to the City, the City has requested a project credit for direct costs/expenses incurred by the City that total \$106,708 which will reduce the cost to the City accordingly.

Summary:

In July 2023, the City Council approved the United States Army Corps of Engineers (USACE) Shoreline Protection Project (Project) Feasibility Study and Certified the Final Environmental Impact Statement and Environmental Impact Report (FEIS/FEIR). The Project is intended to reduce coastal storm damages to property and infrastructure along the study area shoreline for a period of 50-years; improve public safety in the study area by providing a wider sandy beach which serves as a natural wave buffer; and reduce coastal erosion and shoreline narrowing to improve public recreational opportunities for beach users within the City through 2074.

The purpose of this item is to request that the City Council consider authorizing the City Manager to send a letter to the USACE indicating its intention to complete the initial event as the local sponsor and non-federal cost-share partner. Taking this action supports the planned resumption and completion of the initial event which allows the remainder of the City's 50-year federal beach nourishment project to continue.

Background:

Coastal erosion is a significant problem in the City and threatens the public beaches, coastal public access, existing structures, and critical public infrastructure. In July 2001, the City of San Clemente entered into a Federal Cost Share Agreement (FCSA) with the USACE for the purpose of collaborating on the Project Feasibility Study. The Project Feasibility Study was originally authorized under the Energy and Water Development Appropriations Act of 2000.

The City has been participating in Project development efforts with Federal and State agency partners for more than 20 years. The State of California, through the State Parks, Division of

Boating and Waterways, has been a funding partner through the California Public Beach Restoration Act Program since the project was envisioned.

The Project was initiated in 2000 to: 1) identify problems and opportunities to reduce storm damages, improve public safety, increase recreation opportunities, and protect the environment; 2) formulate and evaluate an array of alternatives; and 3) identify the most technically feasible and economically beneficial “recommended plan” that addresses the problems while also complying with local, state, and federal laws and regulations.

The Project will nourish an estimated length of 3,412 feet of shoreline at a 50-foot width. The beach compatible sand needed for the nourishment will be taken from an offshore borrow site that will be hauled to San Clemente and placed by hopper dredge on the beach. The southern limit of the proposed beach fill is located immediately south of the T-Street overpass and the northern limit is north of the City’s Marine Safety Headquarters near Linda Lane. A taper would continue an additional 330 feet to the north and south to merge with the existing shoreline. Re-nourishment cycles would be performed approximately every 6 years thereafter over a 50-year project life (2024-2074). Sand placement activities would require temporary closure of small sections of the beach during sand placement activities to ensure public safety.

In December 2023, the contractor working under contract to the U.S. Army Corps of Engineers (USACE) started the initial phase of the project but was unable to complete the first phase due to encountering cobble in the borrow site located offshore of the Santa Margarita River mouth. In response, the City prepared and certified an Addendum to the EIS/EIR in March 2024 and obtained an amendment to the State Lands Lease setting the stage for a project restart in April 2024.

The project resumed in April 2024, using a second borrow site for sand placement activities. However, due to previously scheduled contractor commitments, the contractor (Manson Construction Corporation) was only able to place sand in the City for a total of 25 days after which they moved to another planned project. The contractor was able to place 114,000 cubic yards of sand on the beach between T- Street and Linda Lane, which is less than the anticipated 200,000 cubic yards of sand. However, it should be noted that the contractor did dredge that anticipated total of 251,000 cubic yards of material for delivery on the beach in San Clemente, but due to the quality of the material and losses during the hauling process, the amount placed on the beach was less than identified by the project. The USACE plans to have the contractor return to San Clemente in late fall or winter to complete the initial phase of the federally authorized project and is preparing a Supplemental Environmental Impact Statement (SEIS) to enable project completion in San Clemente.

Because the USACE project is a congressionally authorized, 50-year project, according to federal regulations the initial event must be completed to a minimum threshold in order for the project to be eligible for the eight, future planned renourishment events every 5-6 years through the federal participation period of 2024 - 2074. If the City desires to continue participation in the USACE 50-year beach sand project, the initial event must be completed. According to the contract, the City is responsible for 35% of any cost overruns and the City is being asked to provide a letter of financial commitment to the USACE at this time to indicate its support for completing the initial event as soon as possible.

Alternatively, the City and the USACE could work together to calculate and determine if the work completed on the first phase of the project satisfies the stated objectives and goals for the initial phase of the project. If it is determined that these milestones have been reached, it is possible that the first phase of the project could be deemed complete and the project could proceed to the next phase that would include the delivery of sand to San Clemente in 4-5 years.

Due to the change in borrow site, which is further from the City than the original borrow site, which was located near the south boundary of Camp Pendleton, as opposed to the new borrow site located off shore in North Orange County, project costs have increased. As of the writing of this report, the USACE had not completed the procurement process to identify exact costs associated with the completion of the project. Based on the best available estimates, the City would need to provide about \$2.6 million in additional funding to reach the 35% non-federal match. However, it must be stated that this figure is directly dependent on the amount of the contract awarded to the successful bidder.

Several options for resuming the project were discussed with the USACE. During the discussions, the USACE provided two realistic courses of action:

1. City Council authorization of an estimated \$2.6 million to reach the 35% non-federal match to complete the current phase of the project. In order to provide this funding, staff would recommend the City Council consider the following adjustments to the current budget:
 - a. A reduction in the allocation for the Public Audible Warning System (PAWS) in the amount of \$1.2 million. This will leave \$800,000 in the project budget for design and interim repairs.
 - b. \$310,000 reallocation of funding set aside for a Victoria sidewalk project.
 - c. Elimination of \$350,000 for construction management services for a future Steed Park pickleball facility.
 - d. \$750,000 in General Fund balance available from FY 23-24 in Police Contract overtime and vacancy credits.
2. Direct staff to work with the USACE to analyze the current status of the project to determine whether the goals and objectives of the initial phase have been satisfied. If it is determined that the initial phase is complete, direct staff to work closely with the USACE to prepare for future phases of the project to avoid any project challenges like those experienced in the first phase. This option would greatly reduce current expenses with only nominal costs associated with the first phase close out. However, this option would not result in any additional sand on the beach until the commencement of phase 2 of the project.

Council Options:

- Authorize the City Manager to send a letter to the USACE indicating its desire to complete the initial event as soon as possible and contribute the non-federal cost share in an estimated amount of \$2.6 million.
- Direct staff to work with the USACE to analyze the current status of the project to determine whether the goals and objectives of the initial phase have been satisfied and if so, to proceed with close out activities for the initial phase of the project.
- Provide alternative direction.

Environmental Review/Analysis:

This Project is subject to both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). The USACE is the Lead Agency for NEPA and the City of San Clemente is the CEQA Lead Agency for the Project.

In July 2023, the City Council approved the USACE Shoreline Protection Project (Project) Feasibility Study and Certified the Final Environmental Impact Statement and Environmental Impact Report (FEIS/FEIR). The City Council also adopted a Mitigation Monitoring and Reporting Program (MMRP) and adopted the Findings of Fact and Statement of Overriding Considerations. A Notice of Determination (NOD) was filed and Project construction was initiated In November 2023. An Addendum to the EIS/EIR was prepared in March 2024 and an NOD was filed in April 2024.

As discussed in the Addendum to the FEIS/FEIR as well as the FEIS/FEIR, the SEA/FONSI, the MMRP, and the Findings of Fact and Statement of Overriding Considerations, all potentially significant impacts of the Project can be avoided or reduced to a level below significance by the implementation of mitigation measures and/or conditions of approval as required by the regulatory agencies including the CCC, RWQCB, NOAA/NMFS and USFWS in their project respective conditions of approval with the exception of potentially significant and unavoidable impacts to surfgrass located on rocky vegetated reefs offshore of the City. Potentially cumulatively considerable impacts of the project may occur to short term air quality and recreation impacts.

All mitigation measures, project design features and best management practices (BMP's) as set forth in the Mitigation Monitoring and Reporting Program (MMRP) and adopted by the City Council in July 2023 under Resolution 23-74 are unchanged and will continue to apply to and be implemented, as appropriate. No additional environmental analysis under CEQA is necessary.

A Public notice of intent to prepare a focused Supplemental Environmental Impact Assessment (SEIS) was published by the USACE on July 2, 2024 to evaluate potential effects on air quality and green sea turtles. The SEIS will be posted to the USACE LA District website when complete. No additional CEQA documentation is required.

Copies of the 2024 Addendum to the FEIS/FEIR, the Final Feasibility Study, the FEIS/FEIR, the MMRP, the Findings of Fact and Statement of Overriding Considerations and other documents and materials that constitute the administrative record of proceedings upon which staff is recommending this decision be based have been available for public review from the custodian of these records, the Department of Public Works at City Hall.

Recommended Actions:

Staff Recommendation

Authorize the City Manager to send a letter to the United States Army Corps of Engineers (USACE) indicating its desire to complete the initial event as soon as possible and contribute the non-federal cost share in an estimated amount of \$2.6 million.

Attachment:

None.

Notification:

None.