

## M E M O R A N D U M

**Th 10b**TO: Commissioners and  
Interested Persons

DATE: January 11, 1996

FROM: Staff

FILE NO: 6-86-651-A10

SUBJECT: Staff Report and Preliminary Recommendation on Work Program for  
Expenditure of Fiscal Year 1997 Sludge Mitigation MoniesProject History

On April 12, 1989, the Commission acted on a City of San Diego amendment request for a fifth extension of time on the above-referenced permit for the 1981 expansion of the sludge-drying beds on Fiesta Island, a condition of which called for the relocation of the sludge beds from Fiesta Island. In the amendment action, a \$1,000,000 per year mitigation fund was established to offset the public's loss of recreational opportunities and restricted access during the remaining time the facilities must remain on Fiesta Island. Half of this fund was to be applied towards master planning for, and implementation of, future Fiesta Island improvements, and the other half for public access and recreation projects throughout Mission Bay Park, which were not covered by other funding sources.

In March, 1992, the City requested a sixth extension of time for sludge bed removal. The Commission granted the request, but increased the mitigation fund to \$2,000,000 annually. The terms were modified to require \$500,000 per year retained for the Fiesta Island master planning efforts, \$1,000,000 was to fund one or two major projects each year, and \$500,000 was to be directed towards a number of smaller items. As before, these projects had to be directly related to resource protection, public access and recreation in Mission Bay Park, and could not be projects adequately funded by other sources. In addition, the special condition required that the money be kept in an interest-bearing account, with all earned interest cycled back into the fund for future allocation.

Based upon the City's demonstration of significant progress towards the sludge facility relocation efforts, the Commission, in May, 1995, approved a tenth amendment which reduced the annual mitigation amount from \$2,000,000 to \$1,500,000. All other aspects of the mitigation program remain in effect, including the requirement to return all interest to the account to augment the fund. In the fall of 1995, the Commission approved the expenditure of \$524,717 of earned interest and project savings money for portions of the South Shores park improvements, currently under construction.

Proposed Work Program

Currently, the City is presenting its proposed work program for the expenditure of Fiscal Year 1997 mitigation monies, in the amount of \$1,500,000. The work program includes the following proposals:

1.	Sail Bay Walkway Lighting & Landscaping	\$ 150,000
2.	La Playa Cove Picnic Shelter	\$ 100,000
3.	Ventura Point Picnic Shelter	\$ 100,000
4.	De Anza Cove Parking Lot Safety Lighting	\$ 100,000
5.	Crown Point Playground to ADA Standards	\$ 50,000
6.	Fiesta Island Improvement Reserve	\$ 500,000
7.	Tecolote Shores Picnic Shelter	\$ 100,000
8.	South Crown Point Picnic Shelter	\$ 100,000
9.	De Anza Park Picnic Shelter	\$ 100,000
10.	Crown Point Shores Parking Lot Safety Lighting	\$ 100,000
11.	De Anza Park Playground to ADA Standards	\$ 50,000
12.	Bicycle/Walkway Additions & Expansions	<u>\$ 50,000</u>

TOTAL FISCAL 1997 EXPENDITURES \$1,500,000

The first five items listed were approved by the Coastal Commission as part of the 1995/1996 work program, which was presented to the Commission in August, 1994. However, these projects became non-funded when the Commission reduced the annual mitigation amount from \$2,000,000 to \$1,500,000 last May. The City is thus requesting the items again as part of the 1997 work program.

Next, the \$500,000 for the Fiesta Island improvement reserve funds is a required component of each years' allocation. This is intended to assure that adequate monies are available for park improvements once the sludge facility is relocated off the island. With the 1997 money added in, the total reserve fund is at approximately \$3,500,000.

The remaining program components include a variety of smaller public access and recreation improvement projects. They are similar, if not identical, to projects which have been awarded sludge mitigation monies in the past, and are fully consistent with the parameters outlined in the referenced special condition of CDP #6-86-651, as amended, which established the funding. Thus, staff recommends the Commission approve the proposed Fiscal Year 1997 work program, as submitted.

In addition to the 1997 work program, the City has a total of \$100,000 in unallocated funds from prior years, which it was holding in reserve for possible additional water quality testing. Research in the area of water quality was requested by the Commission several years ago over concerns that poor water quality in Mission Bay was resulting in diminished public recreational use of the area. However, the City has now completed all

preliminary testing, and does not expect to require any more tests in the foreseeable future.

Therefore, the City now requests reallocation of a portion of the funds (\$40,000) for wetland enhancement, in the form of an expansion of the Northern Wildlife Preserve. This salt marsh expansion was required mitigation for the Mission Bay Shoreline Stabilization Project (Coastal Development Permits #6-93-165 and 6-93-208). The terms of the condition establishing the sludge mitigation fund state monies must be used for "resource protection and public access and recreation" improvements, and that they must be expended for projects which are not otherwise funded. The City is applying for a matching grant from the State Habitat Conservation Fund Grant Program to complete the entire project, which is estimated to cost \$80,000. Thus, the City requests only that portion of the required funding which is not available from any other source (i.e., half the total amount needed). Since the proposed use of the funds meets all parameters of the approved permit condition establishing the fund, staff recommends approval of the City's request for allocation of \$40,000 in sludge mitigation monies for the wetland enhancement project.

In summary, staff recommends approval of the requested 1997 work program projects totalling \$1,500,000, as well as the request for reallocation of \$40,000 from a prior year's funds for wetland enhancement at the Northern Wildlife Preserve. The City's formal request for funding allocation is attached to this recommendation. This includes a current (November 17, 1995) accounting of the status of all sludge mitigation projects approved to date and a map delineating the locations of all projects proposed herein.

(0804A)



THE CITY OF  
**SAN DIEGO**

EXECUTIVE COMPLEX • 1010 SECOND AVENUE • SUITE 555 • SAN DIEGO, CA 92101

OFFICE OF THE  
CITY MANAGER  
(619) 533-3046  
FAX: 533-3061

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DEC 22 1995

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

December 22, 1995

Ellen Lirley  
California Coastal Commission  
San Diego Area Office  
3111 Camino Del Rio North - 200  
San Diego, CA 92108

Re: Sludge Mitigation Funding Program  
Fiscal Year 1997

Dear Ellen:

On May 11, 1995 the Commission reduced the annual amount of the sludge mitigation fee by \$500,000. This reduction was applied to the Fiscal Year 1996 allocation, approved by the Commission on September 16, 1994. The City eliminated the following previously approved projects from funding in Fiscal '96:

Sail Bay Walkway Lighting & Landscaping	\$ 150,000
La Playa Cove Picnic Shelter	\$ 100,000
Ventura Point Picnic Shelter	\$ 100,000
De Anza Cove Parking Lot Safety Lighting	\$ 100,000
Crown Point Playground To ADA Standards	\$ 50,000
	<u>\$ 500,000</u>

The City at this time requests that these previously approved sludge mitigation projects be reinstated as a portion of the funding to be approved by the Commission for Fiscal '97. In addition we ask for the approval of the following projects and allocations for Fiscal '97:



*Item 10. b.*

DIVERSITY  
BRINGS US ALL TOGETHER

Fiesta Island Improvement Reserve	\$ 500,000
Tecolote Shores Picnic Shelter	\$ 100,000
South Crown Point Picnic Shelter	\$ 100,000
De Anza Park Picnic Shelter	\$ 100,000
Crown Point Shores Parking Lots Safety Lights	\$ 100,000
De Anza Park Playground to ADA Standards	\$ 50,000
Bicycle/Walkway Addition & Expansions	\$ 50,000
	<hr/>
	\$ 1,000,000
 Previously Approved Projects	 \$ 500,000
TOTAL FISCAL '97	<hr/> \$ 1,500,000

The proposed expenditure projects will improve public access and recreational opportunities in the Park, or help permit construction of improvements on Fiesta Island after the sludge procession facilities are removed. As a special note, the previously approved picnic shelter projects have proven to be a very popular addition to the public facilities at the Park. These allocations follow the guidelines adopted by the Commission for the use of the sludge mitigation fees.

The city has one further request for the use of sludge mitigation funds. As part of our allocation Fiscal '96, the City requested a \$100,000 reserve for possible future water quality analysis requirements. The Commission did not approve the reserve allocation, but put the request on hold to a later date when the City could be more specific as to what additional analysis should take place, or make an alternate request for the use of the funds.

Testing has now been completed by kinnetic Laboratories, Inc. and a final report is in the process of completion. It does not appear that further extensive testing will be required so we are able to request that a portion of the \$100,000 be reallocated as follows:

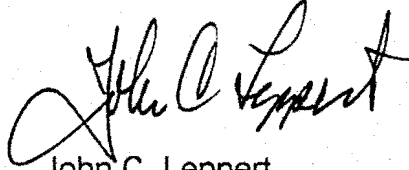
*Create a salt marsh in the newly constructed wetland habitat area of Crown Point adjacent to the Northern Wildlife Preserve - \$40,000*

This project will entail some minor regrading, site preparation and planting of upland habitat in the recently created 5 acre wetland habitat area on North Crown Point Shores. This was mitigation required for the pathway construction on the west side of Crown Point, that was approved by the Commission.

The total estimated cost of the project is \$80,000, and the City has requested a matching grant of \$40,000 from the State Habitat Conservation Fund Grant Program under the California Wildlife Protection Act of 1990. Our request for use and expenditure of the \$40,000 of sludge mitigation funds, is contingent upon receiving approval of the City's request for the State Grant Funds. If the grant is not approved, we will return to the Commission, at a later date, for a re-allocation of the funds.

If you have any questions on our requested allocation for Fiscal '97, please contact me. We look forward to receiving your's and the Commission's approval at it's meeting in San Diego next February.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "John C. Leppert". The signature is stylized with a large, looping initial "J" and a cursive "L".

John C. Leppert  
Assistant to the City Manager

cc: Jack McGrory, City Manager  
Marcia McLatchy, Park & Recreation Department Director  
David Schlesinger, Metropolitan Wastewater Department Director

**STATUS OF MISSION BAY SLUDGE MITIGATION PROGRAMS  
AS OF NOVEMBER 17, 1995 (PERIOD 5 FY 95)**

SOURCES: Grant Project Status Report C40-320

JOB ORDER NUMBER	PROJECT TITLE	(A) APPROP. BALANCE	EXPENDITURES					(Exp + Encumb)	(B) TOTAL PTD	(A-B)
		FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	(exp + encumb)	AMNT REMAIN
000001	Surplus Due to Savings from Closed Projects	176,278.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	176,278.55
000002	Sludge Fund Interest Earnings	462,262.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	462,262.51
120760	MB Water Quality Testing	150,000.00	0.00	0.00	0.00	0.00	0.00	85,130.67	12,365.16	52,504.17
120770	MB Stormdrain Education Program	100,000.00	0.00	0.00	0.00	0.00	28,512.96	6,863.33	9,536.57	55,087.04
220242	S. Shores Development Ph II(Mitg. Signage)	2,500.00	0.00	1,310.70	1,189.30	0.00	0.00	0.00	0.00	0.00
220243	South Shores Development Ph III	2,000,000.00	0.00	0.00	0.00	0.00	0.00	164,697.32	110,761.35	1,724,541.33
220750	Crown Point Restroom	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
220760	Sail Bay Development Ph IV	200,000.00	0.00	0.00	0.00	0.00	0.00	196,337.71	3,662.29	0.00
220790	No. Wildlife Reserve Req (Sidewalk&Platform)	85,074.28	0.00	1,800.00	15,081.75	30,458.38	37,734.15	0.00	0.00	0.00
220800	Santa Clara Pt Parking Lot (Study)	10,000.00	0.00	5,200.00	0.00	4,800.00	0.00	0.00	0.00	0.00
220810	Tecolote Shores Parking Lot	172,516.57	0.00	8,432.42	135,856.87	28,177.28	0.00	0.00	0.00	0.00
220820	Tecolote Shores Disabled Play Area	579,500.00	0.00	2,352.03	(2,346.63)	1,504.00	286,129.79	231,760.30	53,992.37	6,107.64
220830	Bonita Cove Improvements(Playground Equip)	29,775.26	0.00	0.00	29,775.26	0.00	0.00	0.00	0.00	0.00
220840	MB Tree Planting (Palm Trees Ph I)	14,216.03	0.00	0.00	14,216.03	0.00	0.00	0.00	0.00	0.00
220850/51	MB Master Plan Update/Consultant Services	500,000.00	10,000.00	3,494.45	351,903.93	58,743.95	24,473.54	26,590.66	22,771.04	2,022.43
220860	Fiesta Island Improvement Reserve	2,998,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,998,000.00
220870	Bonita Cove Park, Lot Lights(SW Vacation Isle)	169,567.46	0.00	0.00	0.00	165,888.44	2,233.36	1,589.26	349.63	(493.23)
220880	Ski Beach Restroom	258,000.00	0.00	0.00	36,104.03	2,989.15	2,924.69	17,300.26	155,554.52	43,217.25
220890	Hospitality Pt. Picnic Shelter	64,191.92	0.00	1,799.90	8,377.79	15,077.90	8,292.56	25,175.84	4,478.03	0.00
220900	MB Park Tree Planting (Palm Trees Ph II & III)	60,783.97	0.00	0.00	28,500.00	0.00	0.00	31,763.18	0.00	520.79
220920	So. Crown Point Walkway	150,000.00	0.00	0.00	5,003.14	12,033.90	21,590.87	95,946.39	5,903.76	9,521.94
220930	W. MB Drive Sidewalk	78,357.16	0.00	0.00	11,992.12	49,322.73	17,042.31	0.00	(0.00)	0.00
229180	MB N. Wildlife Expansion(Frost Acq.)	1,598,369.64	0.00	0.00	0.00	1,598,369.64	0.00	0.00	3,868.69	(3,868.69)
229190	Vacation Island Playground	94,616.00	0.00	0.00	0.00	0.00	5,844.95	12,672.42	67,557.51	8,531.12
229200	N Crown Pt. Access and Landscape Improv	10,000.00	0.00	0.00	0.00	0.00	2,465.40	3,436.65	4,041.97	54.98
229210	West Mission Bay Drive Sidewalk Ph II	105,000.00	0.00	0.00	0.00	0.00	4.20	244.00	32,894.00	71,857.80
229220	Mariners Point Picnic Shelter	92,988.00	0.00	0.00	0.00	0.00	980.12	14,746.37	66,862.32	10,399.19
229230	North Ski Beach Picnic Shelter	100,000.00	0.00	0.00	0.00	0.00	966.23	18,706.05	63,952.28	16,375.44
229240	Bonita Cove Playgrounds ADA Upgrade	99,354.00	0.00	0.00	0.00	0.00	1,123.12	17,919.56	65,905.89	14,400.43
229250	Mission Point Playground ADA Upgrade	53,934.00	0.00	0.00	0.00	0.00	841.41	12,366.66	33,629.84	7,096.09
229260	Fiesta Island Group Camping Site Impr. Ph I	35,000.00	0.00	0.00	0.00	0.00	0.00	22,437.96	4,645.00	7,917.04
229270	East Shore Parking Lots-Safety Lighting	132,432.54	0.00	0.00	0.00	0.00	125.19	52,478.41	19,457.33	60,371.61
229280	Bicycle/ Walkway Improvement	30,000.00	0.00	0.00	0.00	0.00	0.00	0.00	10,295.41	19,704.59
229290	Sunset Point Picnic Shelter	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
229320	Mission Bay Info. Center/Playgrounds	100,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	100,000.00
274920	Pmt to Boy Scouts for Fiesta Island Water Line	12,000.00	0.00	0.00	12,000.00	0.00	0.00	0.00	0.00	0.00
TOTAL		10,824,717.89	10,000.00	24,439.40	647,653.59	1,967,365.37	441,180.85	1,039,163.00	752,505.66	5,942,410.02

REFERENCE: J:\SLUDGE\REPORTS\SLUDGE.WK3

Prepared By: DOUG CADY  
Updated: 12/15/95

T-ten 10.6

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DEC 22 1995

## CITY OF SAN DIEGO

## MEMORANDUM

CALIFORNIA  
COASTAL COMMISSION  
SAN DIEGO COAST DISTRICT

FILE NO.: SLDGMIT.STA

DATE : December 21, 1995

TO : Ellen Lirley, California Coastal Commission

FROM : John C. Leppert, Assistant to the City Manager

SUBJECT : Status Report - Sludge Mitigation Fund Projects

COMPLETED PROJECTS:

Natural Resource Signage	\$ 2,500	(Nov. '90)
Bonita Cove Playground Equipment	40,000	(Sep. '91)
Santa Clara Point Parking Lot Study	10,000	(Jan. '91)
Tecolote Shores Parking Lot Const.	250,000	(July '92)
Sea World Drive Tree Planting Ph I & II	45,000	(Apr. '92)
Fiesta Island Waterline	12,000	(Aug. '92)
Bonita Cove Parking Lots Safety Lighting	100,000	(Dec. '93)
Wildlife Preserve Sidewalk & Platform	90,000	(Apr. '94)
Acquisition of Frost Property	1,610,000	(Mar. '93)
S.W. Vacation Isle Parking Lot Safety Lights	22,000	(Apr. '93)
W. Mission Bay Dr. Walkway Ph I	80,000	(June '93)
Sail Bay Briarfield Cove Bridge	200,000	(Apr. '94)
Hospitality Point Picnic Shelter	70,000	(June '94)
Tecolote Shores ADA Playground & Park	582,500	(June '94)
Sea World Dr. Tree Planting Ph III	30,000	(July '94)
Mission Bay Park Master Plan Update	500,000	(Aug. '94)
South Crown Point Walkway	150,000	(Feb. '95)
N. Crown Point Access Improvements	10,000	(Nov. '95)
W. Mission Bay Dr. Sidewalk Ph II	105,000	(Nov. '95)
N. Ski Beach Picnic Shelter	100,000	(Nov. '95)
E. Shore Parking Lots Safety Lights	180,000	(June '95)
Vacation Isle Playground	100,000	(Dec. '95)
Mariner's Point Picnic Shelter	100,000	(Dec. '95)
Mission Pt. Playground to ADA Standards	80,000	(Dec. '95)

PROJECTS IN PROCESS OF DEVELOPMENT OR UNDER CONSTRUCTION:

Ski Beach Restroom - \$300,000. Construction underway. Completion in mid-'96.

Water Quality Testing Program - \$150,000. First and second phases completed. Final testing and analysis phase completed with report due by December 31, 1995.

Item 10.6.



Status Report - Sludge Mitigation Fund Projects

December 21, 1995

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Bonita Cove Playgrounds Upgrade to ADA Standards - \$160,000.  
Project substantially complete with final completion expected in January '96.

Fiesta Island Group Camping Sites Improvements - \$35,000. Project substantially completed. Final improvements will be installed by Spring of '96.

Sunset Point Picnic Shelter - \$100,000. Project in design stages. Start of construction scheduled for September '96 with completion in early '97.

Information Center Playground ADA Upgrade - \$100,000. New equipment being analyzed for purchase. Start date not set at this time.

South Shores Phase III - \$2,350,000. Contract awarded. Construction to begin in January '96, with completion by Memorial Day weekend, for public access to parking lot, boat launching ramp and restrooms.

Bicycle/Walkway Improvements - \$30,000. San Diego River and middle jetty completed. Improvements made in area of Boat and Ski Club. Additional missing segments around park being surveyed. Additional funds will be requested for approval in Fiscal '97.

Stormdrain Education Program - \$150,000. Drainage flyers produced and distributed to over 96,000 households. Posters produced and distributed to schools, libraries, businesses and public buildings. Informational signage has been designed and locations selected. Production and installation to take place in the Spring of '96.

PROJECT ON HOLD:

Fiesta Island Improvement Reserve - \$2,998,000. Funds will be spent when the sludge treatment operations are removed from Fiesta Island. Area has been master planned as part of the recently approved Mission Bay Master Plan Update.

John C. Leppert

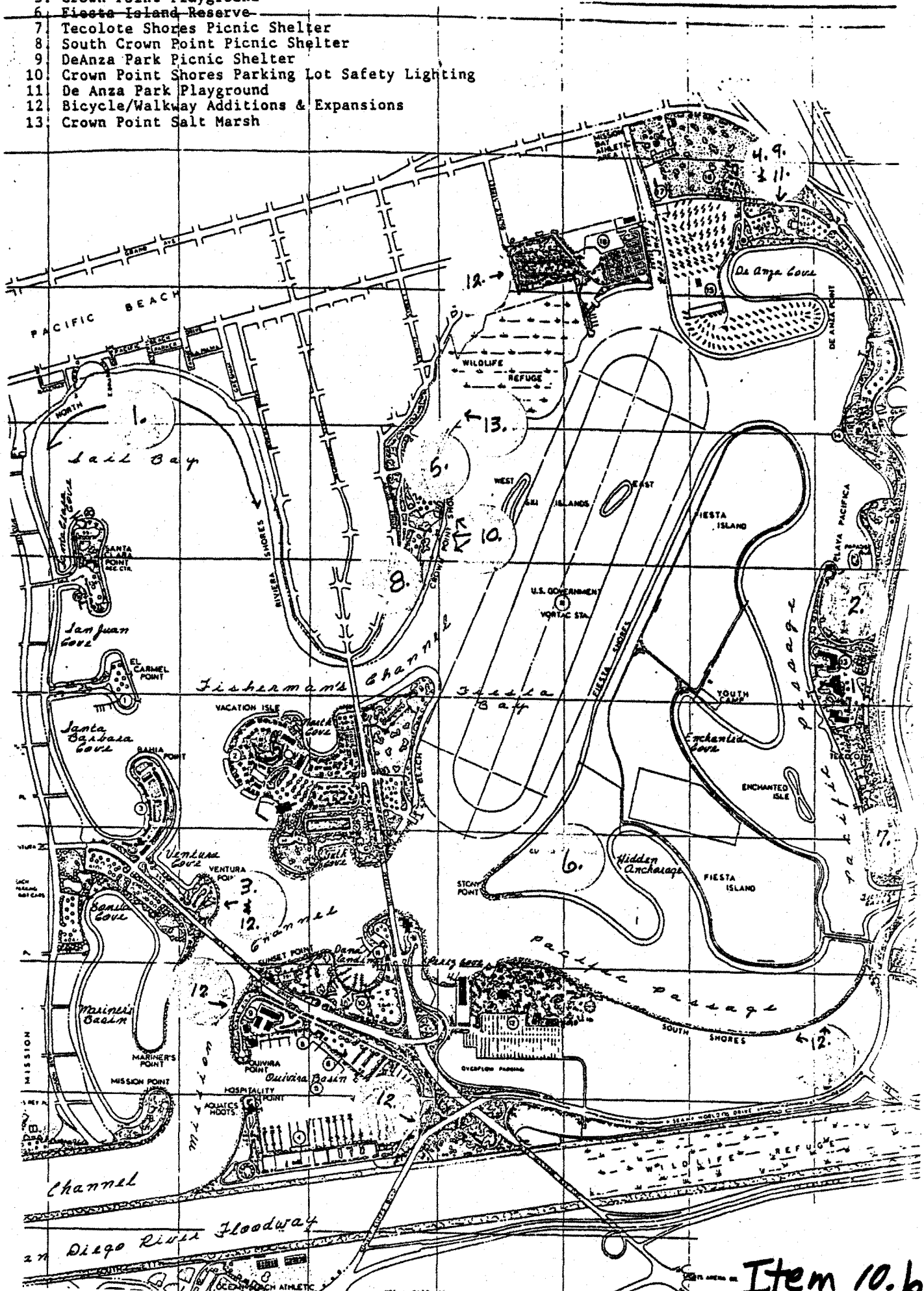
JCL:cht

cc: Jack McGrory, City Manager  
Marcia C. McLatchy, Park & Recreation Director  
Dave Schlesinger, Metropolitan Wastewater Director

*Item 10.6.*

1. Sail Bay Walkway Lighting & Landscaping
2. La Playa Cove Picnic Shelter
3. Ventura Point Picnic Shelter
4. DeAnza Cove Parking Lot Safety Lighting
5. Crown Point Playground
6. Fiesta Island Reserve
7. Tecolote Shores Picnic Shelter
8. South Crown Point Picnic Shelter
9. DeAnza Park Picnic Shelter
10. Crown Point Shores Parking Lot Safety Lighting
11. De Anza Park Playground
12. Bicycle/Walkway Additions & Expansions
13. Crown Point Salt Marsh

FISCAL '97 SLUDGE MITIGATION PROJECTS



Item 10.6.