



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: A 25-218

June 10, 2025

Introduced: 5/29/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve the Cooperative Agreement for State Highway Operation and Protection Program (SHOPP) Minor Fund Contribution between the California State Department of Transportation (Caltrans) and the County of Monterey (Agreement) in the amount of \$1,000,000 from SHOPP Minor Funds required for the Carmel River Floodplain and Environmental Enhancement (CRFREE) Project, for a term effective the execution date of the Agreement until the State Highway System (SHS) Project is accepted by Caltrans; and
- b. Authorize the Director of Housing and Community Development and designee to execute the Agreement.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve the Cooperative Agreement for State Highway Operation and Protection Program (SHOPP) Minor Fund Contribution between the California State Department of Transportation (Caltrans) and the County of Monterey (Agreement) in the amount of \$1,000,000 from SHOPP Minor Funds required for the Carmel River Floodplain and Environmental Enhancement (CRFREE) Project, for a term effective the execution date of the Agreement until the State Highway System (SHS) Project is accepted by Caltrans; and
- b. Authorize the Director of Housing and Community Development and designee to execute the Agreement.

SUMMARY/DISCUSSION:

The Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project is a comprehensive effort to improve flood control and restore native riparian habitat, floodplain habitat, and hydrologic function to a portion of the lower floodplain along the Carmel River. Key aspects of the CRFREE Project are to create notches in the levees along the south bank of the lower Carmel River, restore the south lower Carmel River floodplain, and build a causeway, called an overflow bridge by Caltrans, along Highway 1 (causeway component), restoring connectivity between the lower Carmel River Floodplain and the south arm of the Carmel Lagoon.

The Environmental Impact Report (EIR) for the CRFREE Project was certified by the Board of Supervisors (Board) of the County of Monterey (County) on January 28, 2020. The CRFREE Project, generally consisting of removing a portion of the existing south bank Carmel River levee, grading to restore the floodplain to accommodate conveyance of flows, construction of a 360 foot long causeway to convey flows under California State Route 1 into the south arm of the Carmel Lagoon, elevation of 23 acres out of the floodplain for future use as an agricultural preserve, construction of trails, and restoration of native habitats was approved by the Board on June 15, 2021.

The Mitigation Monitoring and Reporting Plan (MMRP) was adopted by the Board on June 15, 2021.

Caltrans and County are authorized to enter into a Cooperative Agreement for improvements to the State Highway System (SHS) per the California Streets and Highways Code, Sections 114 and 130. County intends to construct the highway component of the CRFREE Project which includes replacement of a section of the existing State Route 1 (SR 1) embankment with an overflow bridge within the State Highway System (SHS PROJECT or causeway component) subject to an encroachment permit from Caltrans.

The proposed Cooperative Agreement for State Highway Operation and Protection Program (SHOPP) Minor Fund Contribution, Agreement No. 05-0470 (Project No.: 0514000043, EA: 05-1F650, 05-MON-1-71.9/72.3) (Agreement), is between the State of California, acting through its Department of Transportation (Caltrans), and the County of Monterey (Attachment A - Cooperative Agreement). The proposed Agreement, effective from its execution date, provides for Caltrans' contribution of \$1,000,000 from SHOPP Minor Funds for the SHS Project. Caltrans tentatively identified \$1,000,000 in Minor A funding toward SHS Project (causeway component) construction as early as May 30, 2008 (Attachment B - Caltrans Letter of Support).

Staff recommends approval of the proposed Agreement for the County to accept \$1,000,000 from SHOPP Minor Funds required for the SHS component of the CRFREE Project. The proposed Agreement will take effect upon execution and will remain in place until Caltrans' acceptance of the SHS Project (causeway component). However, all indemnification and maintenance articles will remain in effect until terminated or modified in writing by mutual agreement.

OTHER AGENCY INVOLVEMENT:

Big Sur Land Trust (BSLT) is co-sponsor for the CRFREE Project. Through a Cooperative Agreement between County of Monterey and Caltrans, which was entered into and effective on May 6, 2014 the County is acting as the Lead Agency under the California Environmental Quality Act (CEQA) for the CRFREE Project. Following the dissolution of the Resource Management Agency (RMA) in 2021, the Department of Housing and Community Development (HCD) is responsible for CRFREE Project environmental, permitting, and pre-construction coordination. The Department of Public Works, Facilities and Parks (PWFP) is responsible for the construction phase of the CRFREE Project. The Office of the County Counsel-Risk Management has reviewed and approved the proposed Cooperative Agreement for SHOPP Minor Fund Contribution in the amount of \$1,000,000 as to form and mutual liability, indemnification and save harmless provisions.

ENVIRONMENTAL REVIEW:

Environmental review is complete for the CRFREE Project. The Project Environmental Impact Report (EIR) was certified by the Board during a public hearing on January 28, 2020. An MMRP was adopted and the Project was approved by the Board on June 15, 2021. Federal environmental review was completed on April 23, 2021, when Caltrans, as the lead federal agency for the causeway portion of the CRFREE Project, issued a finding of no significant impact (FONSI), consistent with the U.S. Fish and Wildlife Service, in its capacity as lead federal agency for the floodplain restoration portion of the CRFREE Project, which issued a FONSI on October 30, 2020. However, the Federal

Emergency Management Agency (FEMA) internal environmental review process, as it relates to FEMA grant funding, is still pending.

FINANCING:

Approval of the proposed Agreement will allow the County to accept \$1,000,000 from Caltrans for the construction of the causeway component of the CRFREE Project. The CRFREE Project is expected to have a total cost of approximately \$58 million to complete the final design, construction, and restoration efforts, and will be entirely grant funded. Including this grant, the County has been awarded approximately \$28 million in various grant funds. BSLT holds nearly \$3 million in grant funds available for the project. An additional \$27 million is pending award from CalOES/FEMA. The CRFREE Project is budgeted in Capital Project Fund 404, Unit 8564, with \$14.6 million budgeted in the FY24-25 Adopted Budget. Ongoing long-term maintenance to maintain the flood conveyance of the site, anticipated to be annual mowings, is estimated to begin in Fiscal Year 2027 at the earliest, at an estimated cost of up to \$30,000 annually and shall be financed by CSA 50 Fund 077-3200-8566-PFP031.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action supports the following Board of Supervisors' Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Reviewed by: Patrick Fung, Project Manager II (831) 755-8908

Approved by: Melanie Beretti, Chief of Planning

The following attachments are on file with the Clerk of the Board:

Attachment A - Cooperative Agreement for State SHOPP

Minor Fund Contribution

Attachment B - Caltrans Letter of Support dated May 30, 2008