



VENTURA
PORT DISTRICT
Established 1952

BOARD OF PORT COMMISSIONERS

APRIL 26, 2017

STANDARD AGENDA ITEM 1

APPROVAL OF
2017 AQUACULTURE SEA GRANT

**VENTURA PORT DISTRICT
BOARD COMMUNICATION**

STANDARD AGENDA ITEM 1
Meeting Date: April 26, 2017

TO: Board of Port Commissioners
FROM: Brian Pendleton, Business Operations Manager
SUBJECT: Approval of 2017 Aquaculture Sea Grant

RECOMMENDATION:

That the Board of Port Commissioners authorize the General Manager to sign the application for NOAA Sea Grant 2017 Aquaculture Initiative: Integrated Projects to Increase Aquaculture Production in the amount of \$400,000.00 with a District match of \$200,000 of in-kind and/or monetary funding.

SUMMARY:

The grant is for a two year period and is contingent upon funding availability. The objective of the grant is to fund projects that integrate as needed, research, outreach and education to foster the expansion of a sustainable U.S. marine aquaculture in the short term (2-4 years). This dovetails with the District's efforts as it relates to the subaward from a NOAA 2015 Sea Grant Aquaculture Extension and Technology Transfer Grant that provides for strategic permitting and planning initiative to facilitate and substantially increase shellfish farming in the Santa Barbara Channel.

BACKGROUND:

The current 2015 grant supports development of a strategic permitting plan (Task 1); the preparation of all necessary project permit applications and draft documentation [i.e. a draft environmental impact report (EIR) and environmental assessment (EA)] required under the National Environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) (Task 2); and community and stakeholder outreach (Task 3). VPD, in collaboration with the VSE, has made significant progress on these tasks and is confident that it can finish these tasks with the funding provided by the 2015 grant.

VPD seeks three year funding from the 2017 NOAA Sea Grant Program's funding opportunity to support the following additional tasks required to complete the project:

- Completion of the NEPA/CEQA process, including response to public comments, negotiation of any required mitigation, drafting of the CEQA findings, and finalization of the EIR
- Negotiation of permit terms and conditions with the Army Corps of Engineers, U.S. Fish and Wildlife Service, National Marine Fisheries Service, California Coastal Commission, California Department of Fish and Wildlife, California Fish and Game Commission, and certifications through the California Department of Public Health (CDPH) (including a growing area management plan); this work will include finalization of Best Management Practices and monitoring plans and drafting and finalizing the Biological Assessment required under the Endangered Species Act
- Negotiation of California Fish and Game Commission sea bottom leases, which will provide the basis for all subleases executed by the VPD
- Educational outreach to translate the technical analyses prepared as part of the current 2015 grant into a practical permitting guide for broad dissemination and subsequent use by others seeking to implement our innovative permitting strategy.
- A comprehensive outreach strategy aimed at soliciting the support and participation of various stakeholders by educating prospective commercial fishermen,

investors/entrepreneurs, shellfish processors, and consumers about the benefits of locally sourced and sustainably raised mussels.

As he has for our 2015 NOAA Sea Grant, Dr. Paul Olin will play a pivotal role in coordinating the activities of stakeholders, agency staff, and VSE partners. This is an essential role given the composition of the project team, which has expanded to include mussel farmers who work the Santa Barbara Channel and waters of the Pacific Northwest. Diane Windham, NOAA's Aquaculture Coordinator for California, and Randy Lovell, the state's Aquaculture Coordinator, will continue providing expertise and coordinating access to key staff within NOAA and state agencies. Dudek and Plauché & Carr LLP will continue to provide environmental consulting and legal counsel, respectively.

FISCAL IMPACT:

The grant requires a cost-share in the amount of \$200,000 over a three year period. The cost-share is achieved through in-kind contributions and monetary funding. Additional staff time and District legal counsel costs are not reimbursable by the grant.

ATTACHMENT:

Attachment 1 – Letter of Intent

ATTACHMENT 1



BOARD OF PORT COMMISSIONERS

Everard Ashworth, Chairman
Brian Brennan, Vice Chairman
Jim Friedman, Secretary
Bruce E. Smith, Commissioner
Nikos Valance, Commissioner
Oscar Peña, General Manager

March 21, 2017

James E. Eckman, PhD.
Director, California Sea Grant
University of California, San Diego
Scripps Institution of Oceanography
9500 Gilman Drive, #0232
La Jolla, CA 92093-0232

Via email: jeckman@ucsd.edu

Re: NOAA Sea Grant 2017 Aquaculture Initiative: Integrated Projects to Increase Aquaculture Production – Ventura Shellfish Enterprise

Dear Dr. Eckman:

On behalf of the Ventura Port District (VPD), this letter states our intent to respond to the above-captioned NOAA Sea Grant Program's 2017 Grant Solicitation (NOAA-OAR-SG-2017-2005176). As you may know, VPD, in cooperation with California Sea Grant and our network of volunteer partners collectively known as the Ventura Shellfish Enterprise (VSE), received a \$300,000 sub award from a NOAA 2015 Sea Grant Aquaculture Extension and Technology Transfer Grant. This grant supports our strategic permitting and planning initiative to facilitate and substantially increase shellfish farming in Southern California, specifically in the Santa Barbara Channel.

Our innovative project seeks to secure all required federal, state and local permits and entitlements for twenty 100-acre mussel farm parcels that will use submerged long line technology. At full production, the project will produce an estimated annual yield of 22-25 million pounds of Mediterranean mussels, *Mytilus galloprovincialis*. Through our collaborative effort, VPD will secure the required state and federal permits and a master lease from the California Fish and Game Commission, and then issue subleases for individual or collective shellfish farms. Together with state agency staff, VPD will assure compliance with the permit terms and conditions under which the sublessees will operate.

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As will be discussed in greater detail in our grant proposal, aquaculture permitting in California is replete with examples of projects that have unfortunately stalled (some for ten years or more) in between submittal of applications and issuance of permits and approvals. Given the relative lack of offshore aquaculture projects, there are also complex outstanding questions regarding what are the significant environmental issues of concern, how to address such issues, and what additional science or monitoring should be required. This uncertainty represents a significant potential impediment to future offshore aquaculture projects in California. VPD and VSE's continued work under the 2017 grant will bring together aquaculture experts from NOAA and other agencies, academia, and the industry to provide agency staff with a solid technical foundation upon which new streamlined permits can be crafted and relied upon.

If awarded 2017 funding, our project plan and schedule provide for initial mussel production lines in the water by 2022—two years after completion of the two-year grant. As indicated above, the project will result in a drastic increase in production of locally and sustainably- grown mussels in California. Our full proposal will further demonstrate how the project is aligned with NOAA priorities and deserving of funding under the 2017 NOAA Sea Grant opportunity.

Very truly yours,



Oscar Peña
General Manager

cc: Dr. Paul Olin, w enc.