

COASTAL CONSERVANCY

Staff Recommendation
March 25, 2004

SONOMA LAND TRUST: BAYLANDS RESTORATION PROGRAM

File No. 99-020
Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$240,000 to the Sonoma Land Trust to carry out planning and feasibility studies and public outreach for the acquisition and restoration of key wetland properties in the San Pablo Bay watershed in collaboration with the Bay Institute and the Corps of Engineers via the San Pablo Bay Watershed Restoration Program.

LOCATION: The former tidal and seasonal wetlands and adjacent uplands of San Pablo Bay, including portions of Marin, Sonoma, Napa, Solano, and Contra Costa Counties (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Area Map

Exhibit 2: Property Map – Dickson and NNP Venture Sites

Exhibit 3: April 22, 1999 Staff Recommendation

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31160-31164 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred forty thousand dollars (\$240,000) to the Sonoma Land Trust to carry out planning, feasibility studies and public outreach for the acquisition and restoration of wetlands, in conjunction with the Army Corps of Engineers’ San Pablo Bay Watershed Restoration Program, subject to the condition that no Conservancy funds shall be disbursed until the Executive Officer has approved the work program, including detailed schedule and budget, for the project.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project, including participation in the San Pablo Bay Watershed Restoration Program, remains consistent with the Conservancy's authorization of April 22, 1999, and with the purposes and goals set forth in Chapter 4.5 of Division 21 of the Public Resources Code.
 2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted on January 24, 2001.
 3. The Sonoma Land Trust is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code."
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PROJECT SUMMARY:

The Sonoma Land Trust (SLT) will work in partnership with project sponsors and NGO cosponsors to carry out technical analysis necessary for acquisition and restoration of key San Pablo Baylands sites. Additionally, SLT will conduct feasibility analysis of projects for inclusion in the Army Corps of Engineers' San Pablo Bay Watershed Restoration Program (SPBWRP) or other restoration programs.

This authorization would assist SLT and key partners, including the Bay Institute, to acquire and restore key parcels within the San Pablo Bay watershed. Recently, SLT entered into a purchase agreement to acquire Dickson Ranch and signed an option agreement on the New North Point (NNP) property in southern Sonoma County (Exhibit 2). These unique properties are top acquisition priorities for the Department of Fish and Game (DFG), San Francisco Bay Joint Venture, and SLT. Adjacent to the U.S. Fish and Wildlife Service's San Pablo Bay Refuge, acquisition of these critical links will create a large contiguous block of historic wetland habitat between the upper Petaluma River and Tolay Creek, enhancing seasonal habitat for migratory shorebirds and waterfowl and providing environmental education and public access opportunities.

SLT is seeking support from the Coastal Conservancy to complete the following tasks:

1. Finalize acquisition related activities for the Dickson Ranch and New North Point properties, including completion of a Phase I environmental site assessment for both properties; lease agreements, and title report evaluations; and purchase agreements.
2. Develop conceptual restoration plans for the Dickson Ranch and New North Point properties. Restoration plans will include limited technical analyses related to hydrological and ecological function.
3. Conduct public outreach, prepare educational packets, and develop a fundraising strategy including convening a task force and implementing a community outreach strategy for San Pablo Bay projects.
4. Develop a written regional San Pablo Bay Watershed acquisition and restoration strategy.
5. Conduct fundraising activities related to acquisition and restoration of the Dickson and New North Point properties, including development of grant applications and grant contracts.

The Sonoma Land Trust is a private nonprofit organization that has protected more than 15,000 acres of resource and agricultural lands since 1976. SLT works directly with willing landowners

who choose to keep their lands intact. Local, private, and not-for-profit, SLT can act quickly and flexibly to address landowners' goals and provide permanent protection of Sonoma County land, its natural beauty, and its biotic resources for the public benefit. SLT collaborates with landowners and government agencies to protect Sonoma County open lands. In close collaboration with the Bay Institute, the SLT is now planning to participate in the SPBWRP as a NGO cosponsor.

San Pablo Bay Watershed Restoration Program: In 1999, the Conservancy entered into a feasibility cost-sharing agreement with the U.S. Army Corps of the Engineers to develop the San Pablo Bay Watershed Restoration Study. Under this arrangement, the Coastal Conservancy acts as the non-federal sponsor and provides oversight of various wetland projects evaluated under the Program. The Corps and its contractor develop preliminary plans for candidate restoration sites, provide technical assistance to project sponsors, and are developing a management plan for the entire watershed. The Bay Institute (TBI) has carried out pre-project activities and acted as the initial point of contact on behalf of the SPBWRP. Project sponsors can apply to the Corps via the SPBWRP for project development support, technical assistance and related services. Once a project is selected, the Corps and the project sponsor develop conceptual restoration plans and provide technical assistance as needed. These restoration plans can qualify a project for 50-75 percent federal funding of on-the-ground construction costs from the Corps. To date, nine projects have been evaluated through the program and are now in some stage of feasibility or design analysis under the Corps' ecosystem restoration authority, including: San Antonio Creek (tributary to Petaluma River), Petaluma wetlands, Gallinas Creek dredge disposal site, and lower Tolay Creek. A SPBWRP programmatic framework plan, a public outreach website, and other educational materials were developed by TBI and are available on TBI's website:

http://www.bay.org/san_pablo_bay.htm

Though TBI has been successful in assisting federal, state, and local government and nonprofit entities in scoping and designing projects, staff has concluded that the SPBWRP's effectiveness will be enhanced by reorganizing the programmatic responsibilities, in part by creating a direct contractual link between cosponsors and the Conservancy. Under this revised arrangement, the Corps will maintain its contract with a consulting firm to accomplish technical tasks, while the Coastal Conservancy works directly with NGO cosponsors who will undertake companion tasks and related restoration planning work. All work undertaken by participating NGO's is expected to qualify as work for which the Conservancy would receive credit for under the cost-sharing agreement with the Army Corps (FCSA).

Site Description: The focal area of the proposed grant is the former bay wetlands and adjacent uplands within the San Pablo Bay watershed. The agricultural land bordering San Pablo bay consists of former tidal marshes that were diked off from the tides in the late 1800s and early nineteenth century. Most baylands were converted to agricultural uses, especially hay farms, or to managed wetlands. In the 1950s about 9,000 acres of managed wetlands were converted to salt ponds by the Leslie Salt Company. The majority of work under this grant will focus on the Dickson and New North Point properties, which comprise 2,300 contiguous acres of baylands and adjacent uplands habitat.

These two properties will provide linkages to several large wetland restoration projects, and once restored will eventually become part of the largest complex of restored wetlands on the west coast. The restored wetlands will provide an essential feeding and resting stop for migratory birds on the Pacific Flyway, habitat for fish and other wildlife, and improved water quality in the

San Pablo Bay. Equally important, acquisition of these properties now will ensure that the open space values that they currently represent are maintained.

Project History: The San Pablo Bay Watershed Restoration Program (SPBWRP) was established in 1999 under the auspices of the U. S. Army Corps of Engineers for the purpose of promoting ecological restoration of the watershed. On April 22, 1999, the Conservancy authorized entry into a Feasibility Cost-Sharing Agreement (FCSA) with the U.S. Army Corps of Engineers (Corps). The Conservancy has served as the “non-federal” sponsor of the San Pablo Bay Watershed Restoration Program project at a 50:50 cost-sharing ratio. On December 20, 2001, the Conservancy amended the FCSA, to provide that the required cost share contribution may be as “in-kind” work rather than exclusively as funds directed to the Corps.

The SPBWRP authorizes scoping, public outreach, education and other facets of pre-project planning. As a nonprofit organization, the SLT has voluntarily joined the project as a partner, and may apply for and receive grants independent of the Corps and its process, thus leveraging additional resources to advance the SPBWRP. The Bay Institute (TBI) was the original NGO cosponsor of the SPBWRP, and continues to serve as a cosponsor. TBI recently obtained funds from the National Oceanic and Atmospheric Administration for the acquisition of San Pablo Bay lands. These funds constituted a non-state funding match for the acquisition of the Bahia wetlands, a project that the Conservancy co-funded in 2002. Additionally, TBI has been successful in obtaining additional NOAA wetland restoration program appropriations in the FY 03/04 budget.

SLT, along with its partner organizations, has been engaged in wetland acquisition and restoration along San Pablo Bay for over two decades. With the Coastal Conservancy’s assistance, SLT has purchased and restored historic marshlands, including 360 acres of tidal wetlands (Sonoma Baylands and Carl’s marsh) and the 330 acres of seasonal wetlands (North Parcel Wetlands). In addition, SLT holds 750 acres of agricultural open space lands through conservation easement and fee ownership interests.

Acquisition of the Dickson Ranch and New North Point properties presents a significant opportunity to preserve and restore 2,300 acres of critical open space and historic baylands in Sonoma County, as well as the potential to provide two miles of bay trail and other public access. These properties are key parcels within an assemblage of local, state, and federal wetland reserves including the San Pablo Bay National Wildlife Refuge. A conservation purchase would create a large contiguous block of historic wetlands and uplands between the upper Petaluma River and Tolay Creek in Sonoma County, protecting and enhancing habitat for numerous state and federally listed species.

These acquisitions are considered by local, state, and federal agencies as a critical piece for successfully implementing restoration and endangered species recovery in the San Pablo Bay watershed. Both the *Baylands Ecosystem Habitat Goals* report and the San Francisco Bay Joint Venture *Implementation Strategy* have developed goals to protect and restore historic wetlands in the North Bay and identified the Dickson and New North Point properties as high acquisition priorities.

The SPBWRP enjoys widespread support from a variety of organizations and individuals, and can help to realize the goals of the San Francisco Bay Area Conservancy Program.

PROJECT FINANCING:

Coastal Conservancy (this action)	\$ 240,000
Coastal Conservancy (in-kind other projects) ¹	200,000
U. S. Army Corps of Engineers	440,000
National Oceanic and Atmospheric Administration ²	215,547
Sonoma Land Trust (in-kind)	<u>100,000</u>
Total Project Cost (two years)	\$1,195,547

The source of funds for the proposed project is expected to be primarily from the Conservancy's FY 03/04 appropriation from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50), which can be used for coastal watershed protection pursuant to Division 21 of the Public Resources Code. Pursuant to Section 31162(b) of Chapter 4.5 of Division 21, this project furthers the San Francisco Bay Area Conservancy Program's goal to protect, restore, and enhance natural habitats in the San Pablo Bay watershed.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

In its April 22, 1999 authorization (Exhibit 3), the Conservancy determined that the San Pablo Bay Watershed Restoration Study project would be consistent with Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160-31164), which directs the Conservancy to address the resource and recreational needs of the San Francisco Bay Area in a coordinated, comprehensive, and effective way. The proposed authorization would further the restoration efforts initiated by that study.

Under §31162, the Conservancy may undertake projects that will help to achieve specified goals for the San Francisco Bay Area Conservancy Program. Consistent with Section 31162(b), the project will help to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance.

Consistent with §31163(d), the project meets the following criteria as it: (1) is supported by adopted regional plans (San Francisco Bay Plan and Sonoma County General Plan) and (2) is multijurisdictional, involving, among others, the County Open Space Agencies and Department of Fish and Game and several nonprofit organizations whose mission includes natural resource protection and restoration. Also the project is consistent with §31163(d) in that the project is consistent with the County's general plan and the *San Francisco Baylands Ecosystem Habitat Goals Report* (1999) and involves funding from multiple sources.

CONSISTENCY WITH THE STRATEGIC PLAN:

The project is consistent with San Francisco Bay Area Program **Goal 10, Objective A**, in that the grantee will assist in the acquisition and enhancement of wetlands, uplands, riparian habitat and other regionally significant properties.

¹ Under the amended agreement (FCSA) with the Army Corps of Engineers, the Conservancy may receive credit for ongoing wetland restoration and planning in the project area.

² For the acquisition of lands of estuarine importance. An additional appropriation is pending.

The project is also consistent with San Francisco Bay Area Program **Goal 10, Objective B**, in that the grantee will assist various parties in the planning necessary to acquire and enhance wetlands, uplands, riparian habitat, and other regionally significant properties.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA AND GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above. The source of funds for the proposed project is expected to be primarily from the Bay Area Conservancy's FY 03/04 appropriation from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50). Consistent with the purposes of this funding source, the proposed project would be carried out in accordance with the provisions of the Conservancy's enabling legislation and would involve the protection and enhancement of critical Bay environments. These funds may be used for the preservation, restoration, and enhancement of real property pursuant to Division 21 of the Public Resources Code, and have been appropriated to the Conservancy to fund partnership habitat projects in the San Francisco Bay region.
3. **Support of the public:** The program is supported by many regional nonprofit organizations and public agencies, including San Francisco Bay Joint Venture, Save the Bay, Point Reyes Bird Observatory Conservation Science, Madrone and Marin Audubon Society, National Audubon–San Francisco, and the Federated Indians of Graton Rancheria. Many of these supporters have already applied for assistance, or contacted the program regarding their future intention to participate.
4. **Location:** The project study area is the historic wetland and adjacent uplands of San Pablo Bay within the nine-county San Francisco Bay Area region, consistent with Section 31162 of the Public Resources Code.
5. **Need:** The need for pre-project planning, stakeholder education, and technical assistance is outlined in the Project Management Plan and *San Pablo Bay Watershed Restoration Framework Program* Plan. The expertise of the Sonoma Land Trust and TBI in ecosystem restoration and water quality is needed to facilitate new projects, both along the Bay shoreline, as well as on the watershed creeks.
6. **Greater-than-local interest:** The San Pablo Bay watershed encompasses portions of several counties within its 860-square-mile boundary. The results of the watershed restoration projects will benefit linked ecosystems beyond the watershed as well, specifically the remaining portions of San Francisco Bay and the nearby marine environments. Lessons learned with this project will have applicability to restoration efforts with the South Bay Salt Ponds, work in the Suisun Bay and Delta, and perhaps even outside California.

Additional Criteria

7. **Urgency:** The San Pablo Bay watershed contains the largest remaining tracts of restorable diked wetlands in San Francisco Bay. Development pressure is growing in the region, as the North Bay communities have experienced the highest growth rates of any cities on the shore of San Francisco Bay over the past decade. Much of the land has been diked off from the Bay and its tributaries but has not been filled. Therefore, restoration potential is relatively high given the physical condition of the land. In addition, the agreements secured by the SLT with owners of the Dickson and New North Point properties are time-sensitive; both acquisitions must be closed by August 2004. Should it be necessary to propose extension of existing agreements, SLT would like to demonstrate to the sellers progress and broad support toward meeting its funding obligations
8. **Resolution of more than one issue:** In this program, the Corps is explicitly directed to use an ecosystem approach to restoration. The approach will simultaneously seek to improve water use and conservation, provide flood control, restore habitat, and restore natural hydrologic processes.
9. **Leverage:** See the “Project Financing” section above. Conservancy funding of the presently proposed program will leverage the funds contributed by the National Oceanic and Atmospheric Administration, the U.S. Army Corps of Engineers, and in-kind contributions of NGO cosponsors, and the contributions of local project sponsors.
10. **Conflict resolution:** The program works directly with landowners, stakeholders, and local governments to help resolve conflicts regarding restoration goals when they might conflict with existing or planned land uses, such as when converting lands zoned as agricultural to wetlands.
12. **Readiness:** SLT has managed grant funds for a various projects and has successfully implemented programs including: acquisition, restoration and stewardship of approximately 1,600 acres in the Sonoma Baylands area, management of the 1,400-acre Bel Marin Keys property for the Conservancy, and is currently engaged in a \$2.5 million capital campaign to raise private funds for acquisition of the Dickson and North Point Joint Venture (also referred to as the “former casino lands”) properties. SLT has also undertaken the preparation of the 2003 San Francisco Bay Index, the Students and Teachers Restoring a Watershed Project, and a wetland design handbook. The latter two projects are also funded by the Conservancy.
15. **Cooperation:** This project is a joint effort of SLT, TBI, the Conservancy, and the Corps of Engineers. The program is also a high priority project for the San Francisco Bay Joint Venture.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The project is within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). The proposed project is considered project planning and is exempt from permitting requirements and is consistent with the following adopted San Francisco Bay Plan policies.

Part III: the Bay as a Resource

Water Quality

To the greatest extent feasible, the Bay marshes, mudflats and water surface area and volume should be maintained and, whenever possible, increased.

Water Surface Area and Volume

Water surface of the bay will be maintained and improved as much as possible.

Marshes and Mudflats

To offset possible additional losses of marshes due to unnecessary filling and to augment the present marshes: former marshes should be restored when possible through removal of existing dikes; and the quality of existing marshes should be improved by appropriate whenever possible.

COMPLIANCE WITH CEQA:

The project is statutorily exempt from the provisions of the California Environmental Quality Act (CEQA) because it involves only feasibility or planning studies for possible future actions, as indicated in 14 Cal. Code of Regulations Section 15262. Upon approval, staff will file a Notice of Exemption.