

COASTAL CONSERVANCY

Staff Recommendation  
September 15, 2004

**DOLAN RANCH CONSERVATION EASEMENT**

File No. 04-055  
Project Manager: Marina Cazorla

**RECOMMENDED ACTION:** Authorization to disburse up to \$1,000,000 to the Monterey County Agricultural and Historical Land Conservancy for acquisition of a conservation easement over 163 acres of the Moro Cojo Slough at the Dolan Ranch near Castroville in Monterey County.

**LOCATION:** Castroville, Monterey County

**PROGRAM CATEGORY:** Watershed Restoration

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**EXHIBITS**

- Exhibit 1: Project Location
  - Exhibit 2: Site Map
  - Exhibit 3: Map of Moro Cojo Slough and Elkhorn Slough
  - Exhibit 4: Letters of Support
  - Exhibit 5: Site Photographs
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**RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby approves disbursement of an amount not to exceed one million dollars (\$1,000,000) to the Monterey County Agricultural and Historical Land Conservancy (Land Conservancy) for acquisition of a conservation easement for the protection of habitat, scenic and open space resources on a 163-acre portion of the property known as the Dolan Ranch, Monterey County (Assessor’s Parcel Nos. 133-091-007 and 133-091-009), as shown in Exhibit 2 to the accompanying staff recommendation, subject to the following conditions:

1. Prior to disbursement of any funds for acquisition of the conservation easement:

- (a) The Monterey Land Conservancy shall submit for review and approval of the Executive Officer of the Conservancy all relevant acquisition documents, including but not limited to the appraisal, the conservation easement, agreement of purchase and sale, escrow instructions, and documents of title.
  - (b) The grantee shall provide evidence that all debris, equipment, structures, and waste has been removed from the easement area.
  - (c) The grantee shall provide evidence that all funds necessary to complete the acquisition of the conservation easement are available.
2. The Land Conservancy shall pay no more than fair market value for the conservation easement, as established in an appraisal approved by the Executive Officer.
  3. The conservation easement acquired pursuant to this authorization shall be managed consistent with the purposes of protection of habitat, scenic and open space resources and shall protect the interests of the State, as provided in Public Resources Code Section 31116(b).
  4. The grantee shall submit an easement monitoring program for review and approval of the Executive Officer.
  5. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the easement area, the design and location of which has been reviewed and approved by the Executive Officer.”

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 is consistent with Chapter 5.5 of Division 21 of the California Public Resources Code (Section 31220) regarding coastal and marine resources protection and restoration.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The Monterey County Agricultural and Historical Land Conservancy is a private 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 proposed project will result in the acquisition of a conservation easement over 163 acres of the property known as the Dolan Ranch by the Monterey County Agricultural and Historical Land Conservancy (Land Conservancy) in the Moro Cojo Slough watershed, for the purpose of protecting and enhancing sensitive habitats adjacent to the Slough and within the larger Elkhorn

Slough wetland complex (Exhibit 3). The project is consistent with the Moro Cojo Slough Management and Enhancement Plan adopted by the Conservancy in March 1998, and the Elkhorn Slough Watershed Conservation Plan adopted by the Conservancy in December 1999.

The conservation easement to be acquired is part of a larger easement acquisition planned by the Land Conservancy in cooperation with the California Department of Conservation, which will grant funds for an agricultural easement over the remaining 240 acres of the Dolan Ranch to maintain the land in agricultural use. The Dolan Ranch is owned by the Dolan family, which leases the subject property for agricultural use.

The conservation easement will permanently protect the Moro Cojo Slough and floodplain and create a “buffer zone” between the habitat area and the part of the ranch that will remain in agricultural production (strawberry cultivation). The buffer zone will reduce pesticide runoff, erosion and sedimentation into the slough. The easement will also prohibit livestock grazing in the slough and buffer areas. The Land Conservancy will monitor the wetland easement area and cooperate with the landowner to promote habitat protection and restoration. Such efforts may include re-establishment of native plants, creation of sediment traps, and other wetland enhancement measures. Restoration work would take place as a separate project in the future.

The Dolan property conservation easement that will be acquired lies within the middle Moro Cojo Slough watershed and is part of the fresh water wetlands above the railroad tracks that run through the property. The Dolan Moro Cojo Ranch is under threat of development due to its proximity to Castroville and its location immediately adjacent to a school and a new housing development. The wetland and buffer zone area of the proposed easement consist of low-lying grasslands transected by slough channels along the northern and western perimeter of the property.

The state Department of Conservation (DOC) is funding the acquisition by the Land Conservancy of an agricultural easement to maintain the land immediately adjacent to the proposed conservation easement in agricultural use, making this a model for future projects jointly funded by the Coastal Conservancy and the DOC. The overall project will simultaneously preserve and protect the Moro Cojo Slough wetland and riparian habitat through a Coastal Conservancy-funded conservation easement, and will also maintain the area in agricultural production (minus the buffer area) through the DOC-funded agricultural easement.

The Land Conservancy was created in 1984 by a group of local citizens to acquire, hold, manage, and dispose of land and interests in land in a manner designed to preserve, protect and enhance the agricultural, historical, environmental, natural wildlife habitat, scenic, and recreational values of such lands. Since that time, the Land Conservancy has undertaken and completed 43 projects that together protect over 13,000 acres in Monterey County and is currently involved in nine additional projects that will protect another 2000 acres during the next several years.

**Site Description:** The Moro Cojo Slough watershed covers approximately 17 square miles in northern Monterey County (Exhibit 1). It is part of a historic wetland complex of Elkhorn Slough and related areas, which has been described by the California Department of Fish and Game as “one of the most ecologically important estuarine systems in California.”

Moro Cojo Slough was historically a fully tidal salt marsh with small pockets of seasonal freshwater wetlands above tidal influence. The upland areas surrounding the slough were

primarily native bunchgrasses. In the 1700's the Spanish colonized the area, creating large cattle ranches. Over time the native bunch grasses in the uplands were gradually replaced with non-native annual grasses and large native mammals were reduced or eliminated. Over the past 100 years, major physical changes occurred to the physical landscape of the lower slough. Tidal control structures severely restricted seawater movement into the slough, which causes large fluctuations in salinity levels. Dikes were created along the main slough channel to convert the surrounding salt marsh into pasture. The natural history of the former salt marsh is still preserved through a network of channels filled with salt marsh plants such as pickleweed and alkali heath.

Moro Cojo Slough and its surrounding watershed are among the most threatened habitats in California. Eighteen federal and state special status plant species and 42 wildlife species have been known or are expected to occur in the slough's watershed. The slough system provides a diversity of wetland habitats, ranging from hypersaline ponds, mudflats, and saltmarsh, to brackish, freshwater, and seasonal wetlands. At its widest, westernmost point, the slough channel spans 500 feet, narrowing to less than five feet in the eastern, upper portions of the watershed. The main slough drains through tide-gated culverts under Highway 1 into Moss Landing Harbor, and out into the Monterey Bay National Marine Sanctuary.

**Project History:** The Land Conservancy has participated in conservation efforts related to Moro Cojo Slough since 1992 when the Coastal Conservancy funded development of a Moro Cojo Slough Management and Enhancement Plan. The plan was approved in 1998, and the Land Conservancy has since participated in acquisition of various properties in the Moro Cojo and Elkhorn Sloughs, including the Azevedo Ranch in Elkhorn Slough in 1991 (along with the Nature Conservancy), S.F. Pacific Properties in Moro Cojo Slough in 1998, and the Tottino property in Moro Cojo Slough earlier this year. The Land Conservancy has been in negotiation with the Dolan family for several years to develop the proposed project. The proposed project is also notable in that it is the first jointly funded conservation easement project between the Coastal Conservancy the state Department of Conservation.

**PROJECT FINANCING:**

Coastal Conservancy	\$1,000,000
Department of Conservation	<u>1,000,000</u>
<b>Total Project Cost</b>	<b>\$2,000,000</b>

The expected source of Conservancy funds is a FY 02/03 appropriation to the Conservancy from the "California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund" (Proposition 40). The Proposition 40 funds were appropriated to the Conservancy under the Watershed, Clean Beaches and Water Quality Act ("AB 2534"). AB 2534 added Chapter 5.5 to the Conservancy's enabling legislation (Public Resources Code Section 31220) and appropriated funds from Proposition 40 to the Conservancy to carry out projects that are described under Section 31220. As discussed below, authorized projects include those that, like the proposed project, serve to reduce contamination of waters within the coastal zone, protect or restore fish and wildlife habitat within coastal watersheds or reduce unnatural erosion and sedimentation of coastal watersheds. Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds (Public Resources Code Section 5096.651). The proposed project is supported by a commitment by DOC to provide substantial matching funds for the separate

agricultural easement that will be placed over the balance of the Dolan ranch, as part of the overall project.

**CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:**

This project would be undertaken pursuant to Chapter 5.5 (Section 31220) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding coastal and marine resources protection and restoration. Section 31220(b) authorizes the Conservancy to undertake a project or award a grant that does one or more of the following: (1) reduce contamination of waters within the coastal zone; (2) protect fish and wildlife habitat within coastal watersheds and coastal waters; and (3) reduce unnatural erosion and sedimentation of coastal watersheds. The proposed easement would meet each of these objectives, because it would: 1) eliminate land uses and practices that adversely affect downstream water quality and provide a buffer that would serve to remove contaminants before they reach the slough; 2) protect fish and wildlife habitat, including wetland and riparian habitat of the Moro Cojo Slough; and 3) reduce erosion and sedimentation of a coastal watershed by preventing future land uses that could contribute to watershed erosion and sedimentation.

In addition, the Conservancy is required to consult with the State Water Resources Control Board (SWRCB) in development of a grant project under Section 31220(a) and projects must be consistent with the Integrated Watershed Management Program (Public Resource Code Section 30947), local watershed management plans, if any, and adopted state or regional water quality control plans. Consistent with the requirement for consultation with SWRCB, staff has notified the SWRCB of the nature of the project and provided the opportunity for comment, input and review. In addition, as discussed in detail below under "Consistency With Local Watershed Management Plan/State Water Quality Control Plan," the proposed project is wholly consistent with local and state watershed plans.

**CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 4 Objective A**, the proposed acquisition of a conservation easement would result in the preservation of over 163 acres of scenic and wildlife habitat lands.

Consistent with **Goal 5 Objectives A and B**, the project would serve to preserve, restore and enhance over 163 acres of key coastal habitat in the form of wetland and riparian habitat; and would preserve and restore habitat corridors between core habitat areas along the coast and from coastal habitats to inland habitat areas.

Consistent with **Goal 6 Objectives A and B**, the conservation easement acquisition would serve to preserve and restore lands in a coastal watershed and improve water quality to benefit coastal resources.

Consistent with **Goal 7 Objectives A and B**, the project would result in the acquisition of a conservation easement over 163 acres of strategic property in the Elkhorn Slough and Moro Cojo Slough watershed, a key coastal farmland area, foster the long-term viability of coastal agriculture, and assist the landowner in reducing impacts of agricultural operations on wildlife habitat and water quality.

**CONSISTENCY WITH CONSERVANCY'S  
PROJECT SELECTION CRITERIA & 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's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed project is supported by State Senator Bruce McPherson, State Assemblymember Simon Salinas, Monterey County Supervisor Louis Calcagno, and the American Farmland Trust. Letters of Support are attached as Exhibit 4.
4. **Location:** The project is located within the coastal zone of the County of Monterey.
5. **Need:** The project is supported by a contribution from the DOC. The Land Conservancy, which is primarily dependent on grants for its projects, has no additional funds to finance the project. In the absence of Conservancy support, development would likely occur, impacting Moro Cojo Slough, riparian habitat and watershed health.
6. **Greater-than-local interest:** The Moro Cojo Slough is a wetland and riparian habitat resource of regional and statewide importance. Protection of the Moro Cojo Slough is a major goal of a number of state and federal agencies and nonprofit organizations, including the Monterey Bay National Marine Sanctuary, U.S. Fish and Wildlife Service, Elkhorn Slough Foundation and the Elkhorn Slough National Estuarine Research Reserve.

**Additional Criteria**

7. **Resolution of more than one issue:** The project would protect the wetland and riparian habitat of Moro Cojo Slough through the creation of a conservation easement and a buffer zone between habitat and agriculture, while maintaining agriculture through the Department of Conservation's grant for an agricultural easement.
8. **Leverage:** See the "Project Financing" section above.
9. **Readiness:** As discussed above, the grantee has already entered into an option agreement for the easements with the landowner.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The proposed project is consistent with the following recommended actions or specific policies of the certified North Monterey County Local Coastal Program:

Section 2.3.4.2 of the LCP states, "a comprehensive wetland management plan should be completed for...Moro Cojo Slough...The feasibility of restoring degraded, impounded, and former wetland areas should be evaluated." The Dolan Ranch property has been determined to be a feasible site for wetland restoration.

Section 5.3.3.14 states, “a comprehensive wetland restoration program shall be undertaken...Moro Cojo Slough [is a] potential restoration area.” Both the grantee and the Conservancy are interested in restoring the wetland area on the project site in the future.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/  
STATE WATER QUALITY CONTROL PLAN:**

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local water shed management plans, if available, and with water quality control plans, adopted by the state and regional water boards.

The project is consistent with the Moro Cojo Slough Management and Enhancement Plan, which was adopted by the Coastal Conservancy in March 1998, and the Elkhorn Slough Watershed Conservation Plan adopted by the Coastal Conservancy in December 1999. Each of these plans was prepared by or in cooperation with owners and land managers in the watershed, representatives of local, state, and federal agencies, and other interested parties; sets forth a strategy to achieve an ecologically stable watershed; and includes elements enumerated in the Water Code Section 79078(c) which defines “local watershed management plans” for purposes of this statute.

Because the project will facilitate the restoration of fish and wildlife habitat in coastal watersheds and wetlands, the project is also consistent with the Water Quality Control Plan for the Central Coastal Basin (adopted by the Regional Water Quality Control Board Central Coast Region in 1994 and reviewed every three years) in that it will further the following beneficial use objectives: estuarine habitat; wildlife habitat; rare, threatened or endangered species; and migration of aquatic organisms.

**COMPLIANCE WITH CEQA:**

Under 14 California Code of Regulations Section 15313, the proposed conservation easement project is categorically exempt from the California Environmental Quality Act (CEQA) because it is for an “acquisition of lands for fish and wildlife conservation purposes including preservation of fish and wildlife habitat.” Section 15325 also categorically exempts the proposed easement acquisition because it is a transfer of ownership of an interest in land in order to preserve and/or to restore existing natural conditions and open space.

Staff will file a Notice of Exemption upon Conservancy approval of the project.