

COASTAL CONSERVANCY

Staff Recommendation
June 5, 2008

WILLOW CANYON ACQUISITION

File No. 08-012-01
Project Manager: Laura Engeman/Carol Arnold

RECOMMENDED ACTION: Authorization to disburse up to \$1,500,000 to the Wildlife Conservation Board for the acquisition of the Willow Canyon Property for the protection and restoration of natural resources and for public access.

LOCATION: Coastal Zone, West of Highway One, southern Santa Cruz County near the unincorporated community of Aptos (Exhibit 1)

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: [Project Location and Site Map](#)
 - Exhibit 2: [Photograph of Santa Cruz long-toed salamander](#)
 - Exhibit 3: [Property Photographs](#)
 - Exhibit 4: [Santa Cruz long-toed salamander Habitat Map](#)
 - Exhibit 5: [Letters of Support](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of up to \$1,500,000 (one million five hundred thousand dollars) to the Wildlife Conservation Board for the purpose of acquiring Santa Cruz County Assessor Parcel Nos. 053-131-23 (portion), 044-261-54 and 044-261-57, consisting of approximately 64 acres, commonly known as the Willow Canyon Property (Property) in the unincorporated community of Aptos, County of Santa Cruz, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the Wildlife Conservation Board (WCB) shall submit for the review and approval of the Executive Officer of the Conservancy (“Executive Officer”):

- a. All relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, escrow instructions, environmental or hazardous materials assessment and title report.
- b. Evidence that sufficient funds are available to complete the acquisition.
2. The WCB shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
3. The WCB shall permanently dedicate the property for habitat preservation, open space and public access, through an appropriate instrument approved by the Executive Officer.
4. The WCB, through the California Department of Fish and Game, shall prepare a management plan for the property consistent with Fish and Game Code Section 2794.
5. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and location of which has been 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 the current Project Selection Criteria and Guidelines.
2. The proposed authorization is consistent with the purposes and objectives of Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270), with respect to enhancement of coastal resources.
3. The Willow Creek property has been identified in the Santa Cruz County Local Coastal Program (LCP) as an environmentally sensitive habitat area which should be preserved and restored.”

PROJECT SUMMARY:

This project would result in the Wildlife Conservation Board’s (WCB) acquisition of a 64-acre open space property known as Willow Canyon (Property) in southern Santa Cruz County for the purpose of preserving essential habitat for the state and federally listed endangered Santa Cruz long-toed salamander (*Ambystoma macrodactylum croceum*) (Exhibits 2 & 3).

In addition to protecting the Santa Cruz long-toed salamander (SCLTS), the acquisition would also preserve habitat for the state and federally listed California red-legged frog (*Rana aurora draytonii*), as well as seven other species of concern, including several birds, mammals and plants (see discussion below).

In December 2007, the Trust for Public Land (TPL) entered into an option agreement to purchase the Willow Canyon Property with a current expected acquisition date in September 2008. The option agreement will be transferred to the WCB. TPL applied and was awarded several grants to complete the project, including \$350,000 from the CalTrans Environmental Enhancement Program (EEMP) and \$1,695,000 from the U.S. Fish & Wildlife Service Section 6 (Section 6)

grant program (see Finance Section below).

Both WCB and TPL have a long history of successfully completing conservation acquisitions. Following acquisition, the Department of Fish & Game would prepare a management plan for the Property, at which time the Property would be evaluated for potential public access. If found to be consistent with the protection of natural resources on the Property, hiking and wildlife observation would be allowed on existing roads, similar to the public access arrangements in the adjacent Seascape Uplands Preserve. Either the Department of Fish & Game or the Center for Natural Lands Management would assume long-term management of the property.

Site Description: The Property consists of several open space parcels in the unincorporated region of southern Santa Cruz County near the community of Aptos. With the exception of its southern boundary where it adjoins the 150-acre Seascape Uplands Preserve, a conservation property managed for the benefit of the SCLTS and other wildlife by the Center for Natural Lands Management, the Property is surrounded by development. Several dirt fire roads exist on the Property; otherwise, it is undeveloped.

Much of the land has a southerly exposure, providing abundant sunlight and ocean views, both of which have made the Property highly desirable for development. The Property's topography is moderately to steeply sloping, with elevations ranging from 200 to 380 feet above sea level. Studded with a variety of trees, including coastal oaks, Monterey pines and eucalyptus, the Property contains a seasonal stream known as Bush Gulch. The stream originates in the northeast area of the Property, flows through the middle section in a southwest direction before joining other drainages and eventually terminating in Monterey Bay. Approximately four acres of wetlands are located in the interior of the Property, including about a half-acre of coastal freshwater marsh/seasonal wetland and about 3.5 acres of riparian scrub. A remnant of coastal terrace prairie, an uncommon grassland habitat is also found on the Property.

The Property lies in the coastal zone, directly north of the 150-acre Seascape Uplands Preserve managed by the Center for Natural Lands Management to preserve habitat for the SCLTS and other species. Acquisition of the Willow Canyon Property will carry out the recommendations of the Conceptual Area Preservation Plan for the Santa Cruz long-toed salamander (SCLTS) developed by the Department of Fish & Game, as well as the U.S. Fish & Wildlife Service's SCLTS Recovery Plan.

The SCLTS is one of the most endangered amphibians in the world. Historically the salamander was found in wet regions from Santa Cruz County to Baja California, Mexico. Today only seven populations remain, all within a very limited range around Monterey Bay in southern Santa Cruz County and the northern edge of Monterey County (Exhibit 4).

The SCLTS inhabits freshwater wetlands for breeding and adjacent upland scrub and woodland areas during the non-breeding season. Migration to breeding ponds occurs at night from October through November during heavy rains, followed by breeding in January and February. The animal is capable of traveling up to a mile to breed, through historically established breeding corridors. Seasonal drying of ponds triggers transformation of larvae into young salamanders which migrate to upland areas the following year. Direct habitat losses and isolation of breeding locations due to agriculture, urbanization, and road construction are the primary causes of species decline. Other known threats include diminished water quality due to agricultural and urban runoff, disease, and predation.

Current known habitat for the SCLTS in southern Santa Cruz and northern Monterey counties is fragmented. This lack of continuity has led to breeding declines as more and more populations become disconnected from one another. Protecting remaining habitat from development and providing an opportunity for upland habitat restoration, migration corridor enhancement and breeding pond creation are essential components of recovery of this species, all of which will occur on this Property. These actions will also help accomplish goals for eventual recovery of the California red-legged frog, which shares similar habitat to that of the SCLTS.

Due to the diversity of habitats, wildlife on the Property is abundant. In addition to the federally and state listed endangered SCLTS and the threatened California red-legged frog, the Property provides habitat for several plant and animal species of concern, including the white-tailed kite (*Elanus leucurus*), Cooper's hawk (*Accipiter cooperi*), San Francisco dusty-footed wood rat (*Dipodomys venustus venustus*), pallid bat (*Antrozous pallidus*), small-footed myotis (*Myotis ciliolabrum*), Yuma myotis (*Myotis yumanensis*), and Gairdner's yampah (*Perideridia gairdneri*).

Project History: Efforts by resource agencies to protect the SCLTS have a long history. Discovered in several lagoons in the Monterey Bay region in the fifties, just over twenty years later it was one of the first animals listed under the newly adopted U.S. Endangered Species Act. Since that time, resource managers have undertaken several projects to protect the SCLTS, including two that were funded in part by the Conservancy (see Realization of Prior SCC Goals below).

The Willow Canyon Property has long been known as an important habitat for the SCLTS. Through the years, various development scenarios have been proposed for the Property, none of which materialized. In 2007, TPL entered into negotiations with the owner to acquire the Property for conservation purposes, resulting in an option agreement for its purchase. The organization has been actively engaged in fund-raising to complete the purchase (see Project Financing below), and the acquisition is now ready to move ahead.

PROJECT FINANCING:

Coastal Conservancy	\$ 1,500,000
CalTrans Environmental and Enhancement Mitigation Program	\$ 350,000*
U.S. Fish & Wildlife Service Section 6 Program	\$ 1,695,000**
Wildlife Conservation Board	\$ <u>2,955,000</u>

Total Project Cost **\$ 6,500,000**

Conservancy staff expects to utilize funding from the Fiscal Year 2006/07 appropriation from the California Wildlife Protection Act of 1990 (Proposition 117), known as the Habitat Conservation Fund (HCF). Under State Fish and Game Code Section 2786(b), HCF Funds may be used for the acquisition of habitat to protect rare, endangered, threatened, or fully protected species. Acquisition of the subject property will serve to protect critical habitat for the SCLTS, a state and federally listed endangered species. DFG will prepare a management plan for the property as required by Fish and Game Code Section 2794 with respect to land acquired with these funds. The

management plan will provide for access to the property in a manner that will not interfere with the conservation purposes of the acquisition, consistent with Fish & Game Code § 2799.5.

*The EEMP grant in the amount of \$350,000 was awarded in April 2008.

**The U.S Fish & Wildlife Service, Section 6 grant in the amount of \$1,695,000 was awarded at the end of March 2008.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken consistent with Division 21, Chapter 6 (Resource Enhancement) of the Conservancy's enabling legislation (California Public Resources Code Sections 31251-31270).

Pursuant to Section 31251, the Conservancy may award grants to public agencies and nonprofit organizations for the purpose of enhancement of coastal resources which, because of human-induced events, or incompatible land uses, have suffered loss of natural and scenic values. The proposed project would enhance the natural and scenic character of the Willow Canyon property by preserving wetland and upland habitat, and by protecting known habitat for the state and federally listed SCLTS, the California red-legged frog, and several plant and animal species of concern.

Consistent with Section 31252, the proposed project carries out the goal of endangered species protection in the Santa Cruz County Local Coastal Program as described in the "Consistency with Local Coastal Program Policies" section below. In addition, the acquisition will implement recommendations of the Department of Fish & Game's Conceptual Area Preservation Plan for the SCLTS.

Consistent with Sections 31253, the Conservancy may provide up to the total cost of a coastal resource enhancement project. In determining the amount of Conservancy funding for this project, the factors identified in section 31253 have been considered and applied, as described in detail below, under the heading "Consistency With Conservancy's Project Selection Criteria & Guidelines." Conservancy funds would comprise less than one-fifth of the project costs, with the balance provided by the U.S. Fish & Wildlife Service, CalTrans, and the Wildlife Conservation Board.

CONSISTENCY WITH CONSERVANCY'S 2007

STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 4, Objective 4A** of the Conservancy's Strategic Plan, the proposed project will protect 64 acres of sensitive wetland and upland habitat where there are known state and federally listed threatened or endangered species, including the SCLTS and California red-legged frog, as well as several species of concern.

Consistent with **Goal 5, Objective 5A**, acquisition of the Willow Canyon Property will result in opportunities for enhancement and restoration of wetlands and uplands for the SCLTS and other species. The DFG will prepare a management plan for the property as required by Fish and Game Code Section 2794 with respect to land acquired with these funds.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on September 20, 2007, 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 project has the support of Senator Abel Maldonado and Assemblyman John Laird, as well as the Department of Fish & Game, the U.S. Fish & Wildlife Service, CalTrans, the County of Santa Cruz, and environmental groups. (Exhibit 5).

Additional Criteria

4. **Urgency:** Formerly known to occur in a much larger area of California, populations of the SCLTS are now limited to this small region in the central coast. In order to prevent extinction of this species, it is urgent that, to the extent feasible, remaining habitats be protected from development and other harmful impacts. Preservation of this Property must occur now to avoid continued declines in SCLTS populations. Additionally, the landowner has agreed to sell the Property. This opportunity will be lost if the purchase is delayed. Funds are in place which would also be lost if the project does not move ahead.
5. **Resolution of more than one issue:** This project will result in the protection of two listed species, while preserving habitat that will also benefit other plants and animals of concern. Additionally, it is expected that in the future the Property will be open for hiking and wildlife observation, consistent with protection of natural resources.
6. **Leverage:** See the "Project Financing" section above.
7. **Conflict resolution:** Previous development proposals for this Property have not been successful, in part due to the existence of threatened or endangered species and sensitive habitat. The proposed project will permanently resolve this issue through the purchase of the Property for conservation purposes.
8. **Readiness:** All necessary funds to complete this project have been identified and the project is ready to move ahead.

9. **Realization of prior Conservancy goals:** The Conservancy has assisted with several acquisitions to preserve the SCLTS. The first, Valencia Lagoon, is a known SCLTS site located to the north of the subject Property. In 1982, the Conservancy provided funds to help preserve this property. In 2004, the Conservancy helped with a second SCLTS project when it provided funds to the Wildlife Conservation Board to purchase the Buena Vista property in Watsonville Slough, a known breeding site. Both Valencia Lagoon and the Buena Vista property are managed by the Department of Fish & Game.
10. **Cooperation:** This project is a cooperative effort of TPL, Wildlife Conservation Board, the Department of Fish and Game, U.S. Fish & Wildlife Service, CalTrans, the County, environmental groups and the landowner. It is part of a larger endeavor by resource agencies to restore populations of the SCLTS.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES: Acquisition of the Willow Canyon Property is consistent with Section 5.1 of the certified Santa Cruz County Local Coastal Plan (LCP), in that it will result in the protection of sensitive habitat as defined in Section 5.1.2 of the LCP as “[a]reas which provide habitat for rare, threatened or endangered species as designated by the State Fish and Game Commission [or the] United States Fish and Wildlife Service...” The SCLTS and the California red-legged frog, both occurring on this Property, have been designated by those agencies as endangered and threatened, respectively.

Additionally, the proposed project is consistent with Section 5, Program (k) of the LCP which requires the county to “[c]ontinue to ensure the survival of the Santa Cruz long-toed salamander through County programs including...(3) [seeking] funding for acquisition of lots...for all known SCLTS habitats.” The Willow Canyon Property is known SCLTS habitat.

COMPLIANCE WITH CEQA: Acquisition of the Willow Canyon Property is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to Sections 15313, 14 Cal. Code of Regulations (CCR). Section 15313 exempts acquisition of lands for fish and wildlife conservation purposes where the intent of the acquisition is to preserve the land in its natural condition and allows public access consistent with those purposes. Upon Conservancy approval of the proposed authorization, staff will file a Notice of Exemption for the project.