

## COASTAL CONSERVANCY

Staff Recommendation  
October 27, 2005

### MONTGOMERY WOODS EXPANSION

File No. 05-062  
Project Manager: Michael Bowen

**RECOMMENDED ACTION:** Authorization to disburse up to \$500,000 to Save-the-Redwoods League to help acquire and transfer to the Department of Parks and Recreation 1,240 acres for the purpose of expanding Montgomery Woods State Reserve and providing watershed protection and enhancement opportunities for two salmon-bearing tributaries of the South Fork Big River.

**LOCATION:** Montgomery Woods State Reserve, near Ukiah, Mendocino County (Exhibit 1).

**PROGRAM CATEGORY:** Enhancement

---

#### **EXHIBITS**

Exhibit 1: Project Location and Site Maps

Exhibit 2: Letters of Support

---

#### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31351 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of up to five hundred thousand dollars (\$500,000) to Save-the-Redwoods-League to help acquire the Ross property in the upper watershed of Big River (Mendocino County APNs 148-270-03, 148-280-02, 148-200-04, 148-240-03, 148-240-04, 149-210-03, 148-270-02, 148-280-03, 148-280-04, 149-250-02, 149-250-09, 149-260-06, 149-260-07, 149-220-05) for the purposes of salmon habitat protection and expansion of Montgomery Woods State Reserve, subject to the following conditions:

## **MONTGOMERY WOODS EXPANSION**

1. Prior to the disbursement of any Conservancy funds for acquisition, the Save-the-Redwoods League shall:
  - a. Submit for review and approval by the Executive Officer all relevant acquisition documents including but not limited to, the appraisal, agreement(s) of purchase and sale, escrow instructions and documents of title;
  - b. Permanently dedicate the property for open space, habitat conservation, public access, and as a wildlife corridor, in a manner acceptable to the Executive Officer, in accordance with Public Resources Code 31116(b); and
  - c. Obtain all other necessary funds to complete the acquisition of the Ross and adjacent Cook properties.
2. The Save-the-Redwoods League shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
3. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property that has been reviewed and approved by the Executive Officer.
4. Save-the-Redwoods League may transfer its interests in the Ross and Cook properties to a public entity or nonprofit organization only with the approval of the Executive Officer of the Conservancy, provided the public agency or nonprofit organization agrees to hold, manage and operate these interests in the manner set forth in condition number 1(b), above.”

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 purposes and criteria set forth in Chapter 6 (Sections 31251-31270) of Division 21 of the Public Resources Code regarding the enhancement of coastal resources;
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 25, 2001; and,
3. The Save-the-Redwoods League is a non-profit organization existing under section 501(c)(3) of the Internal Revenue Service code whose purposes are consistent with Division 21 of the Public Resources Code.”

---

### **PROJECT SUMMARY:**

Staff requests authorization to disburse \$500,000 to Save-the-Redwoods League to help acquire and transfer to the Department of Parks and Recreation (DPR) approximately 1,240 acres of land adjacent to the Montgomery Woods State Reserve in Mendocino County. The proposed transaction entails two separate acquisitions from two landowners, Ross and Cook. The Ross acquisition, towards which Conservancy funding will be directed, encompasses approximately 1,100 acres in seven contiguous parcels. The Cook acquisition entails 140 acres adjacent to the reserve, and would link the Ross property to

## MONTGOMERY WOODS EXPANSION

the reserve. Save-the-Redwoods League holds an option to acquire the Ross property which must be exercised no later than November 30, 2005, and has also entered into purchase agreements for the Cook property. Purchase of the Cook property, not funded by this authorization, would provide additional protection for an important wildlife corridor, as well as consolidating parcels under DPR protection, but will also serve to terminate a controversial, privately held right of way through an existing old growth redwood grove. Due to the need to complete an appraisal of the Cook property, including valuation of its timber, the close of escrow for that acquisition may not occur until early 2006. Conservancy funding at this time would enable Save-the-Redwoods League to complete the Ross acquisition within the timeframe required by its option agreement, and to continue working with DPR and other funders to carry out the Cook acquisition as soon as possible thereafter. Together the two transactions will double the size of the reserve, create landscape linkages, provide watershed protection and enhancement opportunities, and provide increased recreational opportunities within the reserve.

The California Department of Parks and Recreation has agreed to take title to all Ross and Cook parcels, thereby assuming ownership and management responsibility for the property subsequent to the League's acquisition.

**Site Description:** The project area is adjacent to Montgomery Woods State Reserve, a short distance from the city of Ukiah, in Mendocino County. This area is the headwaters of the Big River, a coastal watershed that meets the Pacific Ocean immediately south of the town of Mendocino. Most of the parcels are oak woodland (601 acres), and grassland (304 acres), although two of the Ross parcels contain 86 acres of Douglas Fir-Tanoak forest, and 50 acres of redwood-alder forest. The remaining timber stands were harvested relatively recently and could be ready for harvest in another fifteen years.

The acquisition will expand Montgomery Woods State Reserve, which now adjoins 400 acres of Bureau of Land Management (BLM) lands, and link Montgomery Woods to a large ranch to the north that includes a virgin stand of old growth redwood surrounding the largest natural lake in Mendocino County, a ranch which is subject to a restrictive conservation easement.

The Ross acquisition would encompass approximately 1,100 acres in seven contiguous parcels separated from the Reserve by the Cook property, also proposed for acquisition, though not the subject of Conservancy funding. The Ross property has been in use as ranchland for many years. Previous to its purchase by the current owners, it was operated as part of a larger sheep ranch established by Mr. George Singley. In the early 1900's, the old-growth redwoods were felled and removed and later, the large diameter Douglas firs were similarly removed. From 1960 until 2001, about 60 head of cattle resided on the property and grazed some areas quite intensively (i.e. the northwest corner) while grazing other grasslands less. In 2001, after acquiring the several parcels that make up the property, Mr. Ross removed the cattle and has observed a gradual recovery of the grasslands and streams from that point forward. This trend is conducive to the stream enhancement recommendations made recently by DFG biologists, and described in greater detail below. Aside from a network of well-maintained rock roads and barbed wire fences, there are no structures on the property.

## MONTGOMERY WOODS EXPANSION

The Cook property, also proposed for acquisition - though not with Conservancy funds - consists of two parcels. One is 20 acres that is surrounded on three sides by Montgomery Woods State Reserve and by other private land to the west. The other is 120 acres surrounded on all four sides by Montgomery Woods State Reserve, a BLM Late Seral Reserve, and the Ross property. The 20-acre parcel straddles Orr Springs Road and the South Fork Big River, and contains old-growth redwoods. The 120-acre parcel contains a significant stand of old-growth Douglas fir, as well as a portion of Pruitt Creek, a Class I coho-salmon bearing tributary of Big River. There are no improvements on this parcel.

Two unnamed tributaries of the South Fork Big River run through the Ross and Cook properties. Stream inventory reports from the summer of 2002 identify fair to good quality habitat for coho salmon and steelhead trout on these streams, document the presence of steelhead and coho on both, and recommend that they be managed as anadromous, natural production streams. However, due to former land use practices on the property, portions of the streams provide rather degraded habitat, including elevated water temperature in certain areas. Therefore, DFG recommended habitat enhancement measures including increasing woody cover and canopy shade by planting trees and utilizing log and root wad cover, increasing the number of pools through design and engineering of pool enhancement structures, and addressing log debris accumulations. In light of the observed presence of steelhead and coho on the property and within the stream corridor, all of these measures, many of them inexpensive, would do much to further improve habitat conditions by decreasing water temperatures, deepening pool habitat, and likely increasing the existing population of steelhead and coho within the project reach.

**Project History:** The Conservancy's engagement in the protection and enhancement of the Big River watershed dates back many years. A landmark event was the 2001 grant of \$7,032,500 to Save-the-Redwoods League towards the acquisition of the 7,334 acre Big River lagoon property, an acquisition priority for many decades. That acquisition included timberland, fresh, brackish and saltwater wetlands, and the entire 8.3-mile-long Big River Estuary. The property has exceptional public access potential, with the conversion of existing logging roads to pedestrian, biking, and equestrian trails. The Big River Lagoon property was transferred in 2002 to DPR, which now manages it as Big River State Park.

The Montgomery Woods Reserve, located in the headwaters of the Big River, started with a nine-acre donation by Robert Orr in 1945, and has been enlarged to 1,142 acres by purchases and donations from the Save-The-Redwoods League. Discussions with Cook and Ross date back to 2000, and culminated recently in signed purchase agreements with both parties. The League staff contacted the Conservancy in Spring 2005 to explore opportunities for funding the Ross acquisition. Staff toured the site on August 9, 2005.

### PROJECT FINANCING:

## MONTGOMERY WOODS EXPANSION

The purchase price for the Ross property is \$3,3750,000. The purchase price for all of the properties being acquired in this transaction totals \$4,475,000, funding for which would be provided as follows:

Coastal Conservancy	\$500,000
Resources Legacy Fund Foundation	750,000
Wildlife Conservation Board	1,000,000
Department of Parks and Recreation (Ross)	1,000,000
Department of Parks and Recreation (Cook)	500,000
Save-the-Redwoods League (anonymous donor)	725,000
<b>Total Project Cost</b>	<b>\$4,475,000</b>

Conservancy funding for the proposed authorization is expected to come from Proposition 12 funds, the Safe Neighborhood, Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000. Proposition 12 authorizes the Conservancy's use of these funds for the "acquisition, preservation, restoration and enhancement of real property in coastal areas and watersheds for the purposes of Division 21 of the Public Resources Code. The proposed project is an acquisition of real property in a coastal watershed within the Conservancy's jurisdiction, for purposes of Division 21, as discussed in detail below, under the heading "Consistency with Conservancy's Enabling Legislation".

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

The proposed project would be undertaken pursuant to Chapter 6 (coastal resource enhancement projects, §31251-31270) of Division 21 of the Public Resources Code.

Within Chapter 6, section 31251 authorizes the Conservancy to "award grants to public agencies and nonprofit organizations for the purpose of enhancement of coastal resources that, because of...incompatible land uses, have suffered loss of natural and scenic values....Grants used under this chapter shall be utilized for the assembly of parcels of land within coastal resource enhancement areas to improve resource management....As provided in this chapter, the cost of acquisition of certain lands within coastal resource enhancement areas may be funded through the Conservancy." Section 31251.2 provides that, in order to enhance the natural or scenic character of coastal resources within the coastal zone, the Conservancy may undertake projects and award grants to enhance a watershed resource that is partly outside the coastal zone. Although the properties proposed for acquisition are entirely outside the coastal zone, the project would enhance resources of the Big River watershed to benefit coastal resources within the zone, including coho salmon and steelhead, which migrate from the Pacific Ocean, through the Big River lagoon, up the river to its tributaries, and are present on the project site.

Consistent with the provisions of Chapter 6, the proposed authorization would provide Save-the-Redwoods League sufficient funds to consolidate key properties for the protection and enhancement of the headwaters of the Big River in an area somewhat disturbed by logging and grazing activities. The acquisitions of Ross and Cook together will secure future watershed protection and restoration opportunities for two salmon-bearing tributar-

## *MONTGOMERY WOODS EXPANSION*

ies of the South Fork Big River. The Big River watershed has been rated by the Department of Fish and Game (DFG) as a high priority in terms of coho salmon restoration and management potential, as well as risk of extinction. Additionally, the acquisitions will protect the landscape against future development, and provide for increased recreational opportunities within an enlarged Montgomery Woods State Reserve.

Section 31252 requires that all areas proposed for resource enhancement by a State agency or non profit organization be identified in a certified Local Coastal Program as requiring public action to resolve existing or potential resource protection problems. The Big River watershed is so identified in the Mendocino LCP, as described in “Consistency With Local Coastal Program Policies,” below.

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

Consistent with **Goal 4** of the Conservancy's Strategic Plan, the proposed project will contribute to the achievement of **Objective A**, to acquire 67,000 acres of properties of special significance. The acquisition of these 1100 acres, and ultimately 1,240 acres adjacent to Montgomery Woods, and the ensuing doubling in size of this ecologically diverse and important reserve, indicates significant progress toward landscape-level conservation of natural communities, and will help fulfill this goal.

### **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:** Supporters of this authorization include Senator Chesbro, Assemblymember Patty Berg, the Mendocino Land Trust, and others. Letters of support are included in Exhibit 2.
4. **Location:** The acquisitions will take place adjacent to Montgomery Woods State Reserve, off Orr Springs Road, and near Ukiah, in Mendocino County, at the headwaters of the Big River, a coastal watershed that has been identified as a high priority for coho salmon restoration and recovery.
5. **Need:** In addition to providing an important consolidation of property for the protection of this coastal watershed, the acquisitions provide an opportune expansion of Montgomery Woods State Reserve. The associated acquisition of the Cook property,

## MONTGOMERY WOODS EXPANSION

which the Conservancy is not funding, will resolve a contentious access issue discussed in detail below under “Resolution of more than one issue.”

6. **Greater-than-local interest:** The properties, situated along both climatic and geographic transition zones, are highly biologically diverse, and provide a recreational resource of tremendous interest to all. Furthermore, land ownership within the Big River watershed is unfragmented, lending the watershed to large scale conservation efforts such as this. Coordinated protection and enhancement of this coastal watershed, including the acquisition of the estuary and resource enhancement projects by the industrial timberland owners downstream of Montgomery Woods, ensure adequate and improving protections for the Big River, and probable recovery of coastal resources such as the salmon and steelhead that reside there.

### **Additional Criteria**

7. **Urgency:** Save-the-Redwoods League needs to act quickly to exercise its option to acquire the Ross property before November 30, and to close escrow within thirty days thereafter. Together with the pending acquisition of the Cook property (expected to close early in 2006, using other funds), this acquisition is urgently needed to protect the Big River Watershed.

Coho salmon are currently at six to fifteen percent of their abundance during the 1940s. Given this decline, and in light of the State Recovery Strategy’s primary objective of returning coho salmon to a level of sustained viability, while protecting their genetic integrity, projects with a high potential for recovering local populations of coho are a high State priority. Together, the acquisitions will secure watershed protection and restoration opportunities for two salmon-bearing tributaries of the South Fork Big River. The Big River watershed has been rated by the DFG as a high priority in terms of coho salmon restoration and management potential, as well as risk of extinction. Recovery of salmon and steelhead populations listed under the federal or state Endangered Species Acts will undoubtedly be most successful within watersheds where conservation practices extend throughout the watershed and are readily monitored for success by a limited number of property owners. Mendocino county watersheds face tremendous development pressure, particularly from vineyard and residential water development, but land ownership in the Big River is typified by large holdings, including parks, industrial timberlands, as well as large ranches, some of which are subject to stringent conservation easements. The time to protect the entire Big River watershed from further subdivision and increasing development pressure is now.

8. **Resolution of more than one issue:** In addition to providing protection and enhancement opportunities for two tributaries to the South Fork Big River, and to expanding Montgomery Woods substantially, the associated acquisition of the Cook property, though not funded by the Conservancy, will eliminate the potential development of a right-of-way to Cook’s 120 acre parcel bordering Pruitt creek. Doing so will resolve a right of way issue that has consumed significant DPR, DFG, and National Marine Fisheries Service (NMFS) staff time. Cook’s proposed development of this right of way has raised serious concerns for the aquatic resources of Pruitt Creek and the old-growth redwood stand through which it runs.

## MONTGOMERY WOODS EXPANSION

9. **Leverage:** See the “Project Financing” section above.
11. **Innovation:** Save-the-Redwoods League has in developing this project demonstrated a striking ability to consolidate parcels for acquisition in a fashion that lends itself to landscape-based protection of natural resources, and substantial improvement of recreational opportunities in the region.
12. **Readiness:** A complete appraisal of the Ross property has been approved by the Department of General Services and Save-the-Redwoods League is prepared to proceed with the acquisition immediately, in accordance with the requirements of its option agreement. Purchase agreements have been signed for the pending acquisition of the Cook parcels as well and funding for its acquisition is in place, pending completion and approval of an appraisal and timber valuation for those parcels.
13. **Realization of prior Conservancy goals:** The Conservancy’s 2001 support of the acquisition of the Big River estuary and lower river represented the first in an important series of steps to protect this watershed in entirety. Although located at the upper reaches of the Big River watershed, the Ross and Cook properties will contribute significantly to ongoing efforts to protect the Big River watershed from its headwaters to the sea.
15. **Cooperation:** Ample support for, and cooperation in the development of this project has been demonstrated. DPR has agreed to take title and assume management responsibilities for both the Ross and Cook properties as part of the Montgomery Woods State Reserve. BLM, which owns 400 adjacent acres, has expressed strong interest in collaborative management strategies to enhance habitat and recreational opportunities.

### **CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The proposed authorization enables the acquisition of property located entirely outside of the coastal zone. However, the aquatic resources and habitat quality of stream channels within and outside of the coastal zone boundaries are inextricably linked. The salmon and steelhead that spend part of their life history within the coastal zone reside for extended periods outside of the coastal zone, and therefore depend upon instream flows and habitat conditions conducive to sustaining them throughout their life history.

The two tributaries to the Big River located on the Ross and Cook properties are important spawning and rearing streams for Coho salmon and steelhead trout, and both species are present on the project site. These species depend on the ecological integrity of headwaters streams, as well as of the lower portions of the watershed.

The Big River estuary and lower river are frequently highlighted in the Mendocino Local Coastal Program, which was certified by the Coastal Commission September 10, 1992. Special designations for Big River cited in the LCP include:

- The Riparian Corridor is designated a “Natural Area” by the DFG and Wildlife Conservation Board from the headlands to the woodlands, 50’ to 200’ between timberland and the flow of the stream (LCP p. 44)

## *MONTGOMERY WOODS EXPANSION*

- Big River is designated a “Special Treatment Area” by the California Division of Forestry (LCP. P.44).
- Big River is designated an “Area of Special Biological Importance” by the DFG (LCP p. 45), and;
- The estuary is designated a “Significant California Ecosystem” by the U.S. Fish and Wildlife Service (LCP p. 45).

The proposed acquisition, which affords additional protection to the Big River watershed as a whole, and which promises to provide additional protection to the aforementioned designated areas, is therefore consistent with the LCP.

### **COMPLIANCE WITH CEQA:**

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations Section 15313 and 15325. Section 15313 exempts from CEQA review the acquisition of land for wildlife conservation purposes, including preserving access to public lands and waters where the purpose of the acquisition is to preserve land in its natural condition, and Section 15325 exempts transfers of interests in land to preserve open space, including acquisitions to preserve existing natural conditions and habitats, and acquisitions to allow continued agricultural use of areas.

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