

COASTAL CONSERVANCY

Staff Recommendation
May 24, 2007

RIVERSIDE RANCH ACQUISITION

File No.07-006
Project Manager: Michael Bowen

RECOMMENDED ACTION: Authorization to disburse up to \$250,000 to the Western Rivers Conservancy to acquire the Ambrosini Dairy Property (Riverside Ranch) along the Salt River and Eel River Estuary in Humboldt County.

LOCATION: Riverside Ranch is located near the confluence of the Salt River and the Eel River Estuary. The Salt River flows from the Wildcat Mountains above the town of Ferndale in Humboldt County, across the lower Eel River delta, and enters the Eel River approximately one mile from the Pacific Ocean (Exhibits 1 and 2).

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: [Project Location](#)

Exhibit 2: [Conceptual Enhancement Plan](#)

Exhibit 3: [Letters of Support](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred fifty thousand dollars (\$250,000) to the Western Rivers Conservancy to acquire title to the 444-acre Riverside Ranch, Humboldt County Assessors Parcel Numbers 100-091-008 and 100-111-001, 008, as shown on Exhibit 2 to the accompanying staff recommendation, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for acquisition, the Western Rivers Conservancy shall:

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- 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. Dedicate the property for agricultural open space, habitat conservation and public access in a manner acceptable to the Executive Officer, in accordance with Public Resources Code § 31116(b).
 - c. Obtain all other necessary funds to complete the acquisition.
2. The Western Rivers Conservancy 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."

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;
3. The area in which the Riverside Ranch is located has been identified in the certified local coastal program for Humboldt County as requiring public action to resolve existing or potential resource protection problems; and,
4. The Western Rivers Conservancy is a non-profit organization existing under Section 501 (c)(3) of the Internal Revenue Services code whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

The proposed authorization would enable the Western Rivers Conservancy (WRC), a non-profit organization, to acquire the Riverside Ranch and make that property available for the consideration of a habitat enhancement project on the lower Salt River. WRC’s goals for purchasing this property are two-fold: 1) to promote and participate in lower Salt River estuary and Eel River Delta enhancement opportunities afforded by the acquisition of the Riverside Ranch, and; 2) alleviate flooding patterns in the lower Salt River watershed, thereby helping to protect and promote the agricultural land use that has dominated the region for more than a century. Riverside Ranch is a potential element for a wide-scale habitat enhancement, flood alleviation, and water quality improvement effort that is broadly supported, well funded and anxiously awaited.

The Western Rivers Conservancy, a non-profit organization, will acquire and transfer the property to the California Department of Fish and Game (DFG) for long term ownership and man-

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agement. The purpose of the transfer will be to consolidate parcels and promote wildlife enhancement opportunities on the property. DFG has indicated their willingness to accept and manage this property in perpetuity, and they intend to participate in wetland restoration opportunities at, and surrounding, Riverside Ranch. At the same time, and for areas of the property not prone to flooding, DFG intends to develop an agricultural lease for a private party interested in maintaining agricultural operations on the land.

WRC intends to transfer the property, encumbered by WCB and Conservancy established deed restrictions, to the DFG. Following conclusion of the CEQA process, DFG will join other project partners in an approved and permitted estuarine restoration on the property. The optimum agricultural use of this property appears to be for limited use as grazing pasture to support a local ranch operation. This land management approach also has tremendous resource benefit by virtue of creating publicly owned short grass habitat suitable for the Aleutian Cackling goose population, a species which has subjected local dairy operators to substantial depredation of forage.

The Humboldt County Resources Conservation District, funded by a Conservancy grant, has developed a series of proposed recommendations for restoring estuary habitat, reducing flooding, and helping to establish hydraulic conditions suitable for bringing the Ferndale Sewage Treatment Plant into compliance with water quality standards. All of these goals require public ownership of the Riverside Ranch property. The Salt River Advisory Group (SRAG), an association of County representatives, landowners, agency representatives, technical consultants, and others, have developed a series of recommendations that will help achieve local resource and infrastructure goals and objectives. The purchase of the Riverside Ranch will ensure the RCD's ability to establish a flood flow bypass and enhancement area suitable for realizing project goals and objectives.

Though sediment problems in the Salt River have been recognized for decades, large remediation costs, few enhancement site options, and lack of a coherent strategy have been impossible hurdles for the local community to overcome. Fortunately, the formation of the SRAG, under the auspices of a feasibility grant from the Coastal Conservancy in 2003, have enabled the Resources Conservation District (RCD) to engage with the Conservancy, DFG, NMFS, the City of Ferndale, the Army Corps of Engineers, the National Marine Fisheries Service (NMFS), and local landowners in developing a project that restores lost habitat while addressing local flooding concerns. In March 2007 the Conservancy awarded a grant to Humboldt County to prepare the final design and environmental review of the restoration project.

Under the terms of the earlier feasibility grant, the RCD began negotiating and acquiring all the property rights-of-way outside of the Riverside Ranch necessary for implementation of the Salt River Restoration Project. This authorization will allow the County, with its many partners, to proceed with the development of the overall enhancement plan.

Site Description: Located near the confluence of the Salt River and the Eel River estuary, the Riverside Ranch is located in a terrible place for a dairy. Decades of excessive sedimentation in the Salt River and delta have constricted the channel of the Salt River, causing high flows to periodically overtop the channel and flood surrounding buildings and pastures. This situation is severely impacting both the surrounding community and dairies there. Located at the bottom of the drainage, the 444-acre property includes a Grade "A" Dairy comprising a milking parlor, a

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milk house, a loafing barn, a hay barn, and pasture. All buildings are in extremely poor condition, and estimated to have a remaining economic life of five to ten years.

Conversely, the Riverside Ranch is located in an excellent location for an enhancement project. Once part of an extensive network of estuarine and riverine habitat, the site can be easily reclaimed to a mixture of habitat types. The site will serve as the keystone for proposed efforts to restore tidal marsh and hydraulic connectivity between the Salt River and the Eel River Estuary.

The Salt River/Eel River delta is the fourth-largest estuary in California. The Eel drains over 2.28 million acres and carries some 10 percent of California's run-off. It also carries one of the highest loads of suspended sediment of any river in the world. The estuary extends approximately seven miles from the Pacific Ocean, and the lower delta includes some 75 miles of fresh and saltwater sloughs which interlace an estimated 8,700 acres of wetlands. These wetlands include approximately 1,550 acres of mudflat and fresh and saltwater marshes, and 5,500 acres of farmed wetlands (transitional agricultural lands). Over 30 species of fish use the estuary as a feeding, spawning, or nursery area. Numerous species of anadromous fish currently or historically utilized the estuary, including the federally listed steelhead trout (*Oncorhynchus mykiss*), chinook (*Oncorhynchus tshawytscha*), and coho (*Oncorhynchus kisutch*). The lower Salt River subbasin is an important juvenile salmonid rearing area. Alternate rearing habitat is scarce because much of the Salt River is thermally lethal to salmonids during the summer, so the estuary provides habitat for extended rearing before ocean entry. With respect to bird life, the estuary also provides habitat for two federally and state listed endangered species, the brown pelican (*P. occidentalis*) and the peregrine falcon (*Falco peregrinus*).

Although the fourth largest estuary in California, the Salt River/Eel River delta is now estimated to be only 40 percent of its original size. At one time a 200-foot-wide, 15-foot-deep shipping channel at Port Kenyon, the Salt River today is no more than 20 feet wide and three feet deep, and is unnavigable. Estuarine habitat loss has devastated the native fish populations. Sedimentation has adversely affected anadromous fish by filling pools, raising average temperature, lowering dissolved oxygen, and smothering food organisms. The decrease in deep-water habitat forces individuals to enter the ocean at a smaller size, reducing the rate of survival. As a result, in a river that once supported large stocks of coho, Chinook, steelhead, and coastal cutthroat trout, now only limited populations of cutthroat trout can be found.

Much smaller in size, the Salt River mimics the Eel's sediment load. The Salt River drains 36.4 square miles, and adjacent lands are 100 percent privately owned. Natural and human-induced factors have contributed to excessive sedimentation in the Salt River, which has lost channel capacity and tidal prism along its downstream reach near the confluence with the Eel River. In some areas the Salt River flows backwards. In other areas it ceases to flow in any predictable direction at all. Natural factors contributing to sedimentation problems have included:

- Flooding and flood plain deposition of sedimentation associated with large-scale floods of the Eel River (including the record-breaking 1964 flood);
- Natural erodibility of sedimentary formations in the steep upper reaches of the Salt River watershed;
- Seismic activity, which triggers landslides in the upper watershed;
- Geologic activity, shifting stream channels, and sea-level rise, which have resulted in long-term changes in the landscape; and

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- Rapid growth of vegetation (primarily invasive species) in the stream channel. Human-induced factors contributing to the sedimentation problems in this area include:
- Inappropriate land-use activities in the upper watershed extending back to the 1850s;
- Redirection of channels along property boundaries through the construction of levees;
- Removal of mature riparian forest habitat, which historically stabilized streambanks and stream channels, and reduced direct sunlight and growth of vegetation within the stream channels; and
- Reclamation activities and flood-control measures such as levees and dikes, tide gates, and dams, which reduce the energy available for flushing by reducing the tidal prism.

The Salt River watershed is comprised of forests, small communities, pasturelands, and dairy farms. The larger Eel River delta supports over half of the agricultural land in Humboldt County's coastal zone. Because of their location on the Salt River/Eel River delta flood plain, the lowlands around Ferndale are subject to frequent flooding. Predictably, property damage and agricultural losses are the result. Annual overbank flooding inundates from 600 to 1,000 acres of pastureland, one dairy waste system, several sections of road, and the flooding threatens to overwhelm the Ferndale wastewater treatment facility.

Project History: The Coastal Conservancy first became involved with the Salt River in the late 1980s by providing funds for the Humboldt County RCD to produce an enhancement plan for the area. However, this plan was never implemented because it concluded for reasons that are unclear that there were no alternatives for a completely self-maintaining system, and that recommended restoration with ongoing maintenance was infeasible. It is possible that the proposed restoration, further complicated by the need to perform the restoration entirely on private property, would have overwhelmed the financial and staff resources of the local agencies. It is also likely that community resistance to restoration of private property impeded progress. The project lost momentum. Nevertheless, though enhancement progress was impeded, flooding problems mounted. As flooding and habitat conditions on the Salt River worsened, and as the wastewater treatment plant fell into a greater degree of non-compliance, Humboldt County, the City of Ferndale, and the RCD have worked together to gain community support for the restoration of the Salt River, and collaborated with the Conservancy, DFG, NMFS, and the Coastal Commission on developing a feasible solution.

The Riverside Ranch was placed on the open market recently. At the request of the SRAG, the Western Rivers Conservancy entered into discussions with the landowner, and ultimately entered into a purchase agreement. Including the Riverside Ranch in the planning provided the SRAG with newfound opportunities to develop practical solutions to Salt River challenges.

Under a feasibility grant from the Conservancy, awarded in 2003, the RCD developed the current Conceptual Enhancement Plan. With the assistance of the SRAG, the RCD then parlayed that plan into successful grant proposals in excess of \$6 million. This success, combined with the imminence of project implementation, prompted the Conservancy to award \$300,000 in additional funds to the County of Humboldt in March 2007 in order to develop an Environmental Impact Report and all necessary permitting materials. That effort is now underway. Following its

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conclusion, project participants anticipate that enhancement activities will begin promptly. Acquisition of Riverside Ranch is critical to the success of the project partners.

PROJECT FINANCING:

Coastal Conservancy	\$ 250,000
Wildlife Conservation Board	890,000
U.S. Fish and Wildlife Service	<u>1,000,000</u>
Total Project Cost	\$2,140,000

Funding for the proposed project is expected to come from the Conservancy’s FY 2004/05 appropriation from the Safe Neighborhood, Clean Water, Clean Air, and Coastal Protection Bond Fund (Proposition 50). Proposition 50 authorizes the Conservancy’s use of these funds for the purpose of protecting coastal watersheds through projects undertaken consistent with the Conservancy’s enabling legislation (Division 21 of the Public Resources Code) to acquire, restore or protect water and land resources (Water Code Section 79570). The projects will enable acquisition and restoration of key natural resources within the Salt river watershed. The project is consistent with the Conservancy’s enabling legislation as described below and will protect watershed resources within the project area consistent with the basin plan adopted by the regional water quality control board. See Water Code § 79507.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The proposed project would be undertaken pursuant to Chapter 6 of the Conservancy’s enabling legislation, Public Resource Code Sections 31251-31270.

Pursuant to §31251, the Conservancy may award grants to public agencies to enhance coastal resources. This project will facilitate the restoration of hydraulic connectivity between the upper and lower Salt River and restoration of hundreds of acres of salt marsh on the Riverside Ranch property.

Pursuant to §31252, the proposed project is consistent with the County of Humboldt’s Local Coastal Program, which includes policies in favor of public action (in particular, the County, working with property owners and state and federal agencies) to resolve resource protection problems in the Eel River area, as described in the “Consistency with Local Coastal Program Policies” section below.

Consistent with §31253, the amount of funding recommended for the proposed project is based on the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant and its project partners, and the urgency of the project relative to other eligible coastal resource enhancement projects.

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

Consistent with **Goal 2 Objective A**, the proposed acquisition will serve to “acquire or improve approximately 23 properties to protect open space and views...” Consistent with **Goal 2 Objective B** the proposed acquisition will contribute towards opening “approximately 35 areas that are

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currently inaccessible or closed to the public....” Consistent with **Goal 4 Objective A** the proposed acquisition will help acquire “67,000 acres of properties of special significance.” The Eel River Delta, as described above is an area of great ecological significance. Consistent with **Goal 5 Objective A** the proposed acquisition will help “(p)reserve, restore, and enhance 11,500 acres of coastal habitats...” In particular the acquisition of the Ranch will help to preserve, restore and enhance biological diversity in a coastal stream corridor and the subsequent and planned restoration of the area will result in the enhancement and restoration of tidal slough and salt marsh habitat formerly lost through diking, ditching and draining. Consistent with **Goal 6 Objective B** the project will help “to complete approximately 55 plans or projects to improve water quality to benefit coastal resources....” The acquisition of the project will enable the refinement and implementation of the lower Salt River Enhancement Plan. Consistent with **Goal 7 Objective A** the project will help to “(a)cquire approximately 18,000 acres of conservation easements or fee interests over strategic properties in key coastal farmlands....” The project will ensure the acquisition of Riverside Ranch, the establishment of an easement that permits continued agricultural use such as grazing when conditions permit, and the development of a project that improves adjacent farmlands near Ferndale, by alleviating chronic flooding problems there. Consistent with this goal, the enhancement project is designed to foster the long-term viability of coastal agriculture in Humboldt County not only by reducing flooding of agricultural lands, but also by working with farmers and ranchers throughout the watershed to reduce the impacts of their 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 has strong support from Senator Pat Wiggins, Assemblymember Patty Berg, the County of Humboldt, the Department of Fish and Game, the National Marine Fisheries Service, and others (see Exhibit 3: Letters of Support).
4. **Location:** Riverside Ranch is located at the confluence of the Salt River and the Eel River Estuary. The Salt River flows from the Wildcat Mountains above the town of Ferndale in Humboldt County, across the lower Eel River delta, and enters the Eel River estuary approximately one mile from the Pacific Ocean (Exhibits 1 and 2).
5. **Need:** The chronic problems of sedimentation, associated flooding, wastewater discharge, and resource degradation problems in the Salt River have been recognized for decades. Yet the combination of a lack of funding and the lack of a clear and comprehensive strategy to address these issues has hampered progress in the region. Now that the SRAG partners have developed a clear strategy to move forward, and a clear sign of enhancement funding has ap-

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peared, the need to acquire Riverside Ranch as a keystone component of the enhancement project is critical. Acquisition cannot be achieved without Conservancy funding.

6. **Greater-than-local interest:** The Eel River estuary is the fourth largest in California, and yet is only 40 percent of its original size. Recovering a substantial portion of the Eel estuary alone is of greater than local interest, but the opportunity to restore more than 400 acres of tidal marsh while addressing local flooding concerns is an historic opportunity not to be missed. Only the acquisition of Riverside Ranch makes this possible.

Additional Criteria

7. **Urgency:** The property is under contract and WRC intends to close escrow no later than June 2007. Since Salt River enhancement cannot proceed in a practical manner without this parcel, moving expeditiously to acquire it is an urgent matter.
8. **Resolution of more than one issue:** If the Salt River Restoration Project is successful, it will help resolve a long-standing conflict between flood control issues and the management of sensitive coastal resources. The acquisition and project will also protect and eventually restore sensitive habitat and help preserve nearby coastal agriculture.
9. **Leverage:** The proposed project has substantial funding support from the United States Fish and Wildlife Service and the Wildlife Conservation Board.
12. **Readiness:** The property is under contract and WRC intends to close escrow no later than June 2007.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The County of Humboldt Local Coastal Program (LCP) Eel River Area outlines several policies that relate to the preservation and restoration of sensitive coastal habitat, and the Salt River area in particular, including: Policy 3.28: “Minimize the risk to life and property in areas of high geologic, flood and fire hazard”; Policy 3.34: “The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the areas agricultural economy and conflicts shall be minimized between agricultural and urban land uses”; Policy 3.41: “Environmentally sensitive habitat areas shall be protected against any significant disruption of habitat values”; Policy 3.41 1.a.(2): “The County shall continue to pursue opportunities to restore or enhance, if possible, in-stream flows”; Policy 3.41 F.6.a: “. . . long-term protection of riparian vegetation . . . should be provided. . . . To achieve these objectives, the County should work with property owners and affected State and Federal agencies”; Policy 3.41 G.7.: “Natural drainage courses . . . shall be retained and protected from development which would impede the natural drainage pattern or have a significant adverse effect on water quality or wildlife habitat.”

COMPLIANCE WITH CEQA:

Acquisition of title of the Riverside Ranch and establishment of deed restrictions over the property is categorically exempt from the requirements of the California Environmental Quality Act (“CEQA”) under 14 California Code of Regulations Section 15325 because it involves the transfer of an interest in land to preserve open space and plant and animal habitat; to allow continued agricultural use; and to allow restoration of natural conditions. Staff will file a Notice of Exemption upon approval of the project.

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