

**HAMILTON WETLANDS RESTORATION PROJECT  
IMPLEMENTATION**

**Agenda Item IV.**

**June 25, 2001**

***REVISED STAFF RECOMMENDATION***

COASTAL CONSERVANCY

Project Summary  
June 25, 2001

**HAMILTON WETLANDS RESTORATION PROJECT**  
**IMPLEMENTATION**  
***REVISED STAFF RECOMMENDATION***

File No. 94-003  
Project Manager: Tom Gandesbery

STAFF

RECOMMENDATION: The Staff Recommendation for this project has been revised as follows:

“The State Coastal Conservancy hereby authorizes:

1. The Executive Officer to enter into a Project Cooperation Agreement (PCA) with the Department of the Army, Corps of Engineers Civil Works Program, on terms and conditions described in the accompanying staff recommendation, for implementation of the Hamilton Wetland Restoration Project (HWRP) as approved by the Conservancy on April 22, 1999; and,
2. Disbursement of an amount not to exceed thirteen million eight hundred twenty thousand dollars (\$13,820,000) to pay the nonfederal share of project costs including the costs of construction, monitoring and adaptive management, and incremental costs of dredged material used in the project, subject to the condition that no funds shall be disbursed pursuant to this authorization until the Conservancy has authorized the acceptance of interests in the Hamilton Army Airfield necessary to implement the project, including but not limited to fee title, a lease-in-furtherance-of-conveyance or temporary authorization to enter the property for construction purposes; and all other approvals necessary for the acceptance of such interests or authorizations, and for the disbursement of construction funds, have been obtained.”

Findings:

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

1. The proposed project is consistent with and will help to carry out the Hamilton Wetlands Restoration Plan/Feasibility Report and ~~will help to carry out~~ its Environmental Impact Report/Environmental Impact Study adopted and certified by the Conservancy on April 22, 1999, pursuant to Chapter 6 of Division 21 of the Public Resources Code, concerning the enhancement of coastal resources;
2. The proposed project is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, establishing the San Francisco Bay Area Conservancy Program; and
3. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”

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COASTAL CONSERVANCY

Project Summary  
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**HAMILTON WETLANDS RESTORATION PROJECT  
IMPLEMENTATION**

File No. 94-003  
Project Manager: Tom Gandesbery

**RECOMMENDED ACTION:** Authorization for the Executive Officer to enter into a Project Cooperation Agreement (PCA) with the Corps of Engineers, and to disburse an amount not to exceed \$13,820,780 for implementation of the Hamilton Wetlands Restoration Project at the former Hamilton Army Airfield and adjacent properties.

**LOCATION:** Southeast Novato, adjacent to and between the Bel Marin Keys Phase V property (under Conservancy ownership) to the north and the Gallinas Sanitary District Property to the south, along the western margin of San Pablo Bay, Marin County (Exhibits 1 and 2)

**PROGRAM CATEGORY:** San Francisco Bay Area Conservancy and Coastal Restoration

<b>ESTIMATED COST:</b>	<b>Conservancy cost</b> (government estimate)	<b>\$13,820,780</b>
	(Local Sponsor 25% cost-share as cash or in-kind services)	
	<b>Total project cost:</b>	<b>\$55,283,123</b>

**PROJECT SUMMARY:** Staff is recommending that the Conservancy enter into a cost-sharing agreement, called a Project Cooperation Agreement (PCA), to allow the state, as the non-federal sponsor of the congressionally authorized Hamilton Wetland Restoration Project to pay the 25 percent cost share of the project, providing that the Conservancy obtains title to the project lands. The non-federal sponsor pays 25 percent of share of construction costs and also provides all of the lands, easements, rights of way, and relocations required to implement the project.

The land which the Conservancy would be required to provide includes the ±644-acre Hamilton Army Airfield; the ±319-acre Antenna Field owned by the California State Lands Commis-

sion; and the 18-acre Navy ballfields property. A future phase of the project may include the 1,600-acre Bel Marin Keys Unit V property, acquired by the Conservancy in January of 2001.

The Coastal Conservancy, BCDC, and the U.S. Army Corps of Engineers (Civil Works Program) have been developing the Hamilton Wetlands Restoration Project since 1988. In 1999 the Hamilton Wetlands Restoration Plan Feasibility Study and FEIS/EIR was completed and adopted by the Coastal Conservancy (Exhibit 3). The Army Corps of Engineers was also authorized under the Water Resources Development Act of 1999 to undertake construction of the Hamilton Wetlands Restoration Project and to pay 75 percent of project costs.

The recommended action would not, of itself, result in the transfer of any property to the Conservancy. However, by entering into the Agreement, the Conservancy and the Corps would be making a commitment to fund and carry out the project, so long as the state can obtain title to the Navy Ball Field parcel and to the Hamilton Army Airfield parcel pursuant to provisions of its MOA with the Army.

In November of 1999, the Conservancy signed a Memorandum of Agreement (MOA) with the Department of the Army, current owners of the ±644-acre airfield property, providing for transfer of the Army Airfield property to the State as a no-cost public benefit conveyance for wildlife conservation purposes, and to implement the Army's Reuse Plan for the site. Among other things, the MOA requires that the Army remediate existing contaminants on the property to a level suitable for wetland restoration prior to conveyance.

Funding for this project is from a specific General Fund authorization in the FY 2000/01 Conservancy budget for the Hamilton Airfield Restoration Project. Conservancy funds would be matched 3:1 by federal funds.

Execution of the Project Cooperation Agreement (Agreement) would enable the Corps to begin construction of the project, utilizing funds available in this federal fiscal year (ending September 30, 2001) and funds appropriated to the Conservancy for the project, so that the site can be ready to receive dredged material from the Port of Oakland's 50-foot project, which was also authorized in WRDA 1999. The project will be constructed using clean dredged materials from San Francisco Bay navigation projects, including the Port of Oakland project, maintenance dredging by the Corps of Engineers, and possibly other "new works" in San Francisco Bay. Up to 10.5 million

cubic yards (mcy) of material is needed to raise site elevations, construct peninsulas and interior levees, and take other actions necessary to restore tidal action and a variety of wetland habitats on the former airfield.

In summary, an executed PCA is a necessary first step to obligate funds and to enable the restoration project to move forward. No other entity is willing or able to undertake this project.

COASTAL CONSERVANCY

Staff Recommendation  
June 25, 2001

**HAMILTON WETLANDS RESTORATION PROJECT  
IMPLEMENTATION**

File No. 94-003  
Project Manager: Tom Gandesbery

STAFF

RECOMMENDATION: Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31160-31164 and 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes:

1. The Executive Officer to enter into a Project Cooperation Agreement (PCA) with the Department of the Army, Corps of Engineers Civil Works Program, on terms and conditions described in the accompanying staff recommendation, for implementation of the Hamilton Wetland Restoration Project (HWRP) as approved by the Conservancy on April 22, 1999; and,
2. Disbursement of an amount not to exceed thirteen million eight hundred twenty thousand dollars (\$13,820,000) to pay the nonfederal share of project costs including the costs of construction, monitoring and adaptive management, and incremental costs of dredged material used in the project, subject to the condition that no funds shall be disbursed pursuant to this authorization until the Conservancy has authorized the acceptance of interests in the Hamilton Army Airfield necessary to implement the project, including but not limited to fee title, a lease-in-further-of-conveyance or temporary authorization to enter the property for construction purposes; and all other approvals necessary for the acceptance of such interests or authorizations, and for the disbursement of construction funds, have been obtained.”

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 Hamilton Wetlands Restoration Plan/Feasibility Report and will help to carry out its Environmental Impact Report/Environmental Impact Study adopted and certified by the Conservancy on April 22, 1999, pursuant to Chapter 6 of Division 21 of the Public Resources Code, concerning the enhancement of coastal resources;
  2. The proposed project is consistent with Chapter 4.5 of Division 21 of the Public Resources Code, establishing the San Francisco Bay Area Conservancy Program; and
  3. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”
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**STAFF DISCUSSION:**

**Project Description:** Staff is recommending that the Conservancy authorize the Executive Officer to enter into a Project Cooperation Agreement (PCA) with the U. S. Army Corps of Engineers for implementation of the Hamilton Wetlands Restoration Project at the former Hamilton Airfield and adjacent properties. The HWRP Feasibility Study and EIS/EIR approved by the Conservancy in April 1999, and the Conservancy and the Corps have been working to develop the project within a short time frame to be available to use dredge material from the Port of Oakland’s 50-foot harbor improvement project. A chronology of the Conservancy’s involvement in this project is attached (Exhibit 4).

This authorization would result in the Conservancy entering into a long-term contract with the Corps of Engineers to build the wetland project in four phases, and an obligation for the Conservancy to pay 25 percent of the project costs. The Conservancy's share of project costs is currently estimated to be \$13,820,780 of a total project cost of \$55,283,123. The first phase of construction, in FY 2001/02, would consist of building demolition and minor excavation on the Airfield parcel. This phase has been estimated to cost approximately \$2,000,000 of which the Conservancy would pay 25 percent (\$500,000). Staff is recommending that the Conservancy authorize its Executive Officer to enter into the Agreement now in order to demonstrate its commitment to this project and to allow the start of construction on this joint federal-state project.

As the non-Federal sponsor of a congressionally authorized civil works project, the Conservancy would agree to pay the 25 percent share of all costs; as well as provide all of the lands, easements, rights of way, and relocations required to implement the project. Congress authorized the Army Corps of Engineers, under the Water Resources Development Act of 1999, to undertake construction of the Hamilton Wetlands Restoration Project. The Act was amended to allow the Corps to undertake projects that are related to or have “ecosystem restoration” benefits. Hamilton is one of those restoration projects.

The land that the Conservancy would be required to provide for this project includes the ±644-acre Hamilton Army Airfield; the ±319-acre Antenna Field owned by the California State Lands Commission; and the 18-acre Navy ballfields property. The Airfield is currently administered under the Army’s Base Realignment and Closure Act (BRAC) program and scheduled to be conveyed to the Conservancy for wetland restoration purposes; the State Lands Commission North Antenna Field and property is a formerly used defense site (FUDS) and is not administered under BRAC. A future phase of the project may include the 1,600-acre Bel Marin Keys Unit V property, acquired by the Conservancy in January. The project will be built in phases, allowing the Conservancy and Corps to start construction on the Airfield parcel first, with the Antenna Field to follow.

Pursuant to the PCA, the Corps provides the majority of the capital costs of the project, completes the final design and bid packages, oversees the construction bid process and certifies that the construction is complete. Project implementation would be overseen by a Project Coordination Team including representatives of both the Corps and the Conservancy (and State Lands Commission, with respect to property it provides for the project), although ultimately the Corps of Engineers has discretion with regard to all construction contracts and other implementing actions. Provisions in this Agreement also stipulate that the Corps will carry out adaptive management and monitoring, on a cost-shared basis, for 13 years following breach of the levee and restoration of tidal action to the site. The Conservancy would be responsible for any further project monitoring, as well as operation and maintenance of the site, once this period of monitoring and adaptive management ends. However, the Conservancy may transfer title and management responsibilities to a federal agency for long-term ownership. The United States Fish and Wildlife Service as well as the Cal-

ifornia Department of Fish and Game have expressed interest in taking the property following project completion.

Staff has negotiated the terms and conditions of the PCA with the San Francisco District of the Corps of Engineers but approval of the Department of the Army in Washington, D.C. is required. In addition to the general requirements outlined above, the proposed PCA for the Hamilton project includes the following features:

- Provides for implementation of the project as described in the 1999 Hamilton Wetlands Restoration Plan Feasibility Report and EIR/EIS, including placement of approximately 10.6 million cubic yards (mcy) of suitable dredged material from San Francisco Bay area dredging projects and breach of the bayward levee to restore tidal action to the site, and including a 13-year program of monitoring and adaptive management following levee breach.
- Requires the Corps to pay 75 percent of project costs, and the Conservancy to pay 25 percent of project costs, including the "incremental cost" of bringing dredged material to the site over and above the otherwise least-cost environmentally acceptable disposal site (in-bay or ocean), except where payment of any of these costs is the responsibility of another navigation project.
- Requires the Conservancy to provide the lands, easements, rights-of-way, and relocations required for the project at no cost to the federal government, but credits the Conservancy's share of project costs for the value of these interests (except where provided at no cost by the federal government).
- Creates a Project Coordination Team consisting of representatives of the parties to oversee implementation of the project pursuant to a Project Management Plan, including matters such as the acceptance of dredged material for placement at the site and its suitability for use in the project (to be determined in accordance with applicable regulatory requirements for wetland "cover" material) and the obligation of other navigation projects (if any) to fund a portion of project costs. Information about using dredged material on the site, and the risks of such use has been evaluated by staff; the risk will be managed as part of the project (Exhibit 4).

- Vests responsibility and discretion for all contract solicitations, awards, modification, claims, and performance with the Corps after consultation with the Conservancy.
- Requires the Conservancy to provide cash contributions on an as-needed basis, in accordance with quarterly reports and projections prepared by the Corps, up to a maximum of its 25 percent share of \$55 million (adjusted in accordance with provisions of federal law).
- Acknowledges the responsibility of other components of the federal government to perform remediation activities for hazardous substances on lands provided under the BRAC and FUDS programs but, except with respect to these lands (or other lands owned by the United States), makes the Conservancy responsible to carry out any investigations necessary to determine the existence and extent of hazardous substances on lands required for the project; provides for determination by parties regarding whether to proceed with the acquisition of lands containing hazardous substances or to suspend or terminate agreement.
- Permits either party to terminate or suspend performance of the agreement without penalty if either federal appropriations necessary to meet the government's share of project costs for next fiscal year are not available, or if the United States government fails to make available property which is subject to base closure activities under the BRAC or FUDS programs.
- Provides for breach of the bay front levee to occur, in compliance with all applicable regulatory requirements if the agreement is terminated, provided the breach would not cause undue risk of property damage or environmental harm, and otherwise reflects sound engineering practice and judgment.
- Permits the contribution of BRAC or FUDS funding to carry out remedial activities on those properties as part of project implementation, pursuant to an agreement between the United States government and the Conservancy, but does not require any such agreement to carry out remedial activities (see Property Acquisition section, below)
- Does not impose "operator" status and liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) upon the Conservancy during project implementation (however, the Conservancy will be

"owner" of property throughout the project and as between the Conservancy and Corps, "operator" once the project is turned over for operation, maintenance, and management upon completion of monitoring and adaptive management period).

- Requires the Conservancy to hold and save the Government free from damages resulting from the implementation, operation, maintenance, repair, replacement, and rehabilitation of the project, except for damages due to the fault or negligence of the Government.
- Does not obligate future appropriations by the California legislature, but does require the Conservancy to seek in good faith any additional appropriations necessary to fulfill its obligations under the agreement in any fiscal year.

The PCA also requires approval by the Department of General Services pursuant to Public Contracts Code Section 10295, and by the State Lands Commission in order to make its property available for the project.

Property Acquisition: As part of its responsibilities under the PCA, the Conservancy would acquire fee title to the properties shown in Exhibit 2. This includes approximately 688 acres of the former Army Airfield owned by the Department of the Army under the management of the Forces Command, Atlanta Georgia. An additional area of approximately 12.5 acres is the former Navy Ball Field, under the ownership of the U.S. Navy, and managed by the Navy BRAC office, San Diego California. A later phase of the project covered by the Agreement includes the approximately 344-acre North Antenna field, currently owned by the State Lands Commission. Because these are sovereign lands that cannot be transferred to the Conservancy or otherwise alienated, the State Lands Commission would be asked to enter into the PCA for the purpose of making its lands available to the project.

The recommended action would not, of itself, result in the transfer of any property to the Conservancy. However, by entering into the Agreement, the Conservancy and the Corps would be making a commitment to fund and carry out the project, so long as the state can obtain title to the Navy Ball Field parcel and to the Hamilton Army Airfield parcel pursuant to provisions of its MOA with the Army. Currently, that MOA requires transfer of the Airfield property after remediation of all contaminants pursuant to federal law for base closure activi-

ties, and to a level that is suitable for wetland restoration. Under provisions of CERCLA and federal law pertaining to the closure of military bases, the Army is required to provide a warranty on the deed to the property stating that all remedial action required under CERCLA has been taken, and to hold harmless and indemnify the transferee from any liabilities resulting from the release of any hazardous substance, contaminant, or pollutant, as a result of Department of Defense activities at any military installation closed pursuant to a base closure law.

The Navy, which has completed remedial actions on the Ball Fields parcel, is prepared to transfer title in accordance with the requirements of federal law and pursuant to a similar MOA that would be the subject of a future Conservancy staff recommendation. However, with regard to the Army Airfield parcel, where extensive remedial activities have already been carried out, more work needs to be done. The Army is currently working with federal and state regulatory agencies and resource trustees (mainly U.S. Fish and Wildlife Service) to finalize the Remedial Action Plan (RAP) for completing this work.

The Army has asked the Conservancy to consider an "early transfer" of the Hamilton Airfield property authorized under a 1996 amendment to CERCLA. This would permit deferral of the covenant stating that all remedial actions have been taken prior to transfer, permitting transfer of the property prior to completion of those remedial actions and amendment of the deed to include the covenant once the remediation is satisfactorily completed. Early transfer may be necessary at least in the case of contaminants existing in the salt marsh outboard of the existing bay ward levee, and under the levee itself, because of sensitive wetland habitats in the area, and because the levee should not be breached until the interior levees and peninsulas have been built. There may also be remedial activities that directly correspond to features of the project, and that can best be undertaken by the Corps and the Conservancy as part of project construction. Early transfer cannot occur, under the provisions of CERCLA, without the concurrence of the Governor of California and agreement by the Coastal Conservancy, as transferee. These potential actions are not the subject of this recommendation, however.

The PCA acknowledges that there are ongoing and potential future remedial activities on the property that are the responsibility of the Army's BRAC and FUDS programs, and not of the Conservancy or the Corps of Engineers. The PCA makes pro-

vision for—but does not require—some of these activities to be carried out as part of the wetland restoration project using funds provided to the Conservancy by the Army BRAC program. Staff is currently working with the Army BRAC program and regulatory authorities to determine the terms and conditions under which such an early transfer could occur. These terms and conditions, as well as the terms and conditions of any transfer of the Army Airfield property, would be brought to the Conservancy for approval prior to the disbursement of any funds under the PCA. In the event the property cannot be transferred to the State on satisfactory terms and conditions, the PCA permits either the Conservancy or the Corps to terminate the Agreement or suspend it until the property becomes available.

Staff will request Conservancy approval of the terms of any transfer of the property prior to the disbursement of funds under the PCA, including a "lease in furtherance of conveyance," as contemplated in the MOA, or other temporary access measures necessary to begin project construction if remediation issues have not yet been fully resolved. In this case, the first phase of construction will mainly involve building demolition. The Army will not permit any access or leasing of the property for these purposes unless and until the terms of ultimate transfer (and remediation of contaminants) are clear, and the process is underway. It is expected that at such a time staff will be better able to inform the Conservancy regarding required remedial actions, and any costs and risks of going forward, than is currently possible.

RELATIONSHIP TO  
SAN FRANCISCO BAY

DREDGING: **Long Term Management Strategy**

The availability of the Hamilton site for beneficial upland disposal of dredged material would help implement the recently adopted Long Term Management Strategy for the Disposal of Dredged Material in San Francisco Bay (LTMS). The LTMS is a set of policies of the Regional Water Quality Control Board, U.S. EPA, Corps of Engineers, and BCDC that guide those agencies on their regulatory programs. The goal of the LTMS policy is to eventually result in a situation under which dredging activities result in disposal of only 20 percent of the historic volume of material in San Francisco Bay. The remaining 80 percent of material would go to the ocean disposal site or be used instead for beneficial uses, such as marsh restoration. The

Hamilton project, due to its large size, is critical in fulfilling the goal.

### **Oakland Deepening Project**

The Oakland Deep Draft Navigation Improvement (minus 50 - foot), is a federally authorized navigation project that includes the Hamilton Project as a disposal site for beneficial reuse of suitable dredged material. The Corps of Engineers is responsible to carry out the Oakland Navigation Improvements project and Port of Oakland is the local sponsor, paying a proportionate share of total project costs, including 25 percent of the costs of beneficial re-use of material for environmental restoration purpose. The Oakland EIS/EIR plans for the use of five placement/disposal sites, three of which are habitat restoration projects. The Oakland project would contribute 2.5 million cubic yards of sediment to Hamilton and pay for a proportionate share of the costs of site preparation and placement. The Oakland project will also pay the "incremental cost" of dredging, transportation, and delivery of Oakland's dredge material to the Hamilton site over and above the "least-cost, environmentally acceptable disposal site," the Deep Ocean Disposal Site, located about 50 miles offshore of the Golden Gate. The incremental cost was estimated to be about \$1.25 per cubic yard (cyd) in 1998. This would equate to a cost off-set of over \$3.1 million. The "incremental cost" of bringing material to Hamilton from other navigation projects, including Corps maintenance dredging, would be paid by the Hamilton project (and cost-shared 75 percent federal, 25 percent state), unless the federal project is authorized, like the Oakland project, to pay a portion of this increment.

### **Corps Maintenance dredging.**

The Corps of Engineers is planning to bring material from routine maintenance dredging in the Bay Area, carried out as a part of its routine maintenance dredging schedule. Between the fiscal years 2002 and 2009, the Corps' dredging is projected to generate about 7.7 million cyds. The dredged sediment from both Corps maintenance and new-work projects have been or will be tested for contaminants and approved for use in wetland projects by the appropriate regulatory agencies. The Hamilton project would not take any material that is deemed unsuitable for marsh restoration as "cover" material (see Exhibit 3).

**Relationship to Bel Marin Keys Parcel**

The Corps of Engineers has conducted a reconnaissance study that showed that there is a “federal interest” in the Bel Marin Keys V (BMKV) property. This means that the site could qualify for inclusion into the Hamilton project. The Conservancy took title to the BMKV property in January of this year pursuant to a Conservancy authorization of September 2000. Staff will undertake design workshops and a conceptual plan over the summer and fall of this year to determine how best to integrate the BMKV parcel with Hamilton.

**Project Financing:** Both the Army and Navy parcels would be acquired through a no-cost public benefit conveyance, in accordance with the Conservancy’s MOA with the Army and subject to the Conservancy’s authorization. Funding for construction of the project has been appropriated to the Conservancy from the state General fund specifically for use in this project.

Funding would be provided to the Corps of Engineers on an annual basis over the period of project construction, monitoring, and adaptive management, a 13-year timeframe. The first phase of construction involves building demolition and site preparation and is estimated to cost \$2 million. The total project cost is currently estimated at \$55,238,123.00 (1988 dollars). The Corps is currently updating and refining the project costs; however significant cost increases are not expected to occur in this first phase.

**Site Description:** Hamilton Army Airfield, a portion of the former Hamilton Air Force Base is located along the western edge of San Pablo Bay, Marin County. Most of the airfield lies in an area that was historically salt marsh. This salt marsh habitat was drained when farmers constructed levees to permit agricultural use of the land. The site was later acquired by the Army for use as an airfield, and the runways and support structures were installed and improved over a period of five decades. The area west of the runway was converted to urban use.

The project area consists of approximately 1,000 acres, including the 644-acre Airfield, the 18-acre Navy ballfields property, 319-acre State Lands Commission (SLC) Antenna Field and 14 acres adjacent to Landfill 26. A future phase of the project may involve the 1,600-acre Bel Marin Keys Unit V property, expanding the restoration project to almost 2,500 acres. All of these properties are included in the project area because, like Hamilton, they are all formerly part of San Francisco Bay and

have subsided below sea level. Additionally they would all be flooded by implementation of the proposed project without the construction of expensive new flood control structures.

The Hamilton Army Airfield is shaped somewhat like a guitar with the wide portion containing a 6,000-foot runway, aprons, taxiways, aircraft dispersal area, and other airfield support structures. The site includes several small buildings. Only three of these structures, the storm-water pump stations, are in use. The Army is temporarily treating and storing soils and material on the runway from the adjacent property undergoing urban redevelopment. The western end of the Airfield (the narrow neck) contains a 12.5-acre freshwater wetland mitigation site. This area has been restored by the Army in connection with remediation work on the adjacent U.S. General Services Administration property.

There are several sites of contamination within the project area. The Army has assumed all responsibility for remediation of the property. The Navy site is already cleared and available for transfer and reuse.

The State Lands Commission Antenna Field property is a formerly used defense site (FUDS). The Army has included this site in the remediation of the Hamilton FUDS parcel.

**Project History:** In 1996, the Conservancy assumed the lead in developing a wetland restoration plan for the former Hamilton Army Airfield and adjacent properties. The San Francisco Bay Conservation and Development Commission staff has co-managed this project with Conservancy staff since its inception. A chronology of Conservancy actions is attached (Exhibit 4). In April 1999 the Conservancy adopted the Hamilton Wetlands Restoration plan and certified the EIR/EIS for the project. It is also authorized the Executive Officer of the Conservancy to enter into an memorandum of Agreement (MOA) to provide for the transfer of the 688-acre Hamilton Airfield parcel. The MOA contains conditions to transfer, which the Conservancy must address and several that the Army is responsible to fulfill. Most of these conditions have been met. One remaining condition of the MOA is that the property will not be transferred until the Army or remediates contaminants on the Property “to a level suitable for wetland restoration.” It is this condition that staff are currently analyzing as part of the BRAC closure process

CONSISTENCY WITH  
CONSERVANCY'S  
ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation, Public Resources Code Sections 31251-31270, and to implement the Hamilton Wetlands Restoration Plan adopted by the Conservancy on April 22, 1999. In its action to adopt the Plan and EIS/EIR on that date, the Conservancy found the project to be consistent with Chapter 6 of Division 21, including specifically Sections 31252, 31258.5 and 31263.5 regarding the San Francisco Bay Plan and Policies and coordination with BCDC. The recommended actions would further carry out the plans and are also consistent with Section 31253, which authorizes the Conservancy to provide up to the total cost of any coastal resources enhancement project, including the state or local share of the federally supported projects.

The project is also consistent with Chapter 4.5 of Division 21, which established the San Francisco Bay Area Conservancy Program to address resource and recreational goals of the San Francisco Bay area, including goals to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance, and to assist in the implementation of the San Francisco Bay Plan and the adopted plans of local governments (Section 31162). The project is of high priority because it meets the following criteria set forth in Section 31163(d): (1) The project is supported by adopted local and regional plans including the San Francisco Bay Plan, Hamilton Air Force Bay Re-Use Plan of the City of Novato, and the Long-Term Management Strategy (LTMS) for the Placement of Dredged Material in the San Francisco Bay Region; (2) it is multi-jurisdictional and serves a regional constituency, by offering opportunities for beneficial reuse of dredged material throughout San Francisco Bay and providing resource enhancement opportunity of statewide significance; (3) it can be implemented in a timely way; (4) it provides opportunities for tremendous resource enhancement benefits that could be lost if the project is not quickly implemented, in that federal agencies are poised to commence the transfer of property and implementation of the project, and dredged materials that would otherwise require ocean or in-bay disposal are expected to come to the site over the next five years; and (5) the project includes matching funds from the federal government, which will pay 75 percent of project costs.

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**

**Promotion of the Conservancy's Statutory Programs and Purposes:** Implementation of the proposed project would advance the purposes of Division 21 of the Public Resources Code, by implementing a resource enhancement plan approved under Chapter 6, and by protecting and enhancing natural habitats within the Bay Area pursuant to Chapter 4.5.

**Consistency with Purposes of the Funding Sources:** The purpose of the proposed funding source for the project is to implement the goals of the San Francisco Bay Area Conservancy Program.

**Support From The Public:** The project enjoys wide support from the public including environmental and labor organizations as well as locally elected officials. Support is detailed in previous staff recommendations.

**Location:** The site is within the nine-county San Francisco Bay Area consistent with Section 31162 of the Public Resources Code.

**Need:** A PCA is a necessary first step to obligate funds and to enable the restoration project to move forward. No other entity is willing or able to undertake this project.

**Greater Than Local Interest:** The majority of the Bay-Delta system's historic wetlands have been significantly altered or filled. Over 90 percent of the Bay's more than 550,000 acres of historic tidal wetlands have been lost, with a dramatic reduction in the wildlife populations that depend on them. Many Bay/Delta species have become threatened or endangered as a result of this habitat loss. This project would permanently preserve and increase the resource value of about 1,000 acres for endangered species, fish, migratory birds, and other wildlife. The project would also provide an upland site for beneficial reuse of material dredged from San Francisco Bay, implementing the LTMS program.

**Additional Criteria**

**Resolution of More Than One Issue:** The project would resolve a need to close a former military facility and to protect the resources of the Bay. The project will protect and enhance the Bay by expanding wetlands. This will help to remove pollutants from Bay waters instead of contributing more oil, grease, fertilizers, pesticides, and other urban pollutants that would contaminate the Bay if the site were developed. The project would also provide an upland site for beneficial reuse of material dredged from San Francisco Bay, implementing the LTMS program and thereby providing economic benefits to Bay Area ports and other navigation interests.

**Readiness:** Staff have negotiated the terms and conditions of the Agreement to the extent possible. The Corps is fast-tracking the Agreement through the Washington D.C.-level review process. State funding has been secured and the President's proposed budget has \$1 million of "new start" funding. Additional funding will be sought by project supporters and is in progress.

**Urgency:** The Conservancy must take action enter into the Agreement in order to: 1) obligate funds, 2) allow the start construction during this federal fiscal year, and 3) be prepared to take title to the land. The Army has stated that they will consider a short-term lease (termed a "lease-in-further-of conveyance") if necessary to commence construction during this federal fiscal year. The PCA does in itself not convey the title to the state, but is a necessary first step.

**Realization of Prior Conservancy Goals:** Acquisition and permanent protection of the Hamilton property furthers the Conservancy's goals of enhancing wetland and wildlife habitat in the north bay region, thereby implementing the Conservancy's Strategic Plan, the Hamilton Wetlands Restoration project, and Baylands Ecosystem Habitat Goals.

**Cooperation:** The Hamilton project is a San Francisco Bay Joint Venture habitat project and is included in the Joint Venture's habitat projects map and wetlands projects database. The Conservancy is cooperating with the Corps of Engineers and San Francisco Bay Conservation and Development Commission in the planning of this project.

**Comprehensiveness:** This project is comprehensive because it seeks to provide an environmental and economic "win-win" coordinating two important federal environmental programs:

the Army's base closure or BRAC program and the Corps's Civil Works program. It would be one of the first "ecosystem restoration" projects undertaken by the Corps under new authority. Lastly, this project was authorized by Congress with explicit reference to the Port of Oakland' navigation improvement project, which will make beneficial use of the dredged sediment at Hamilton rather than disposal in the ocean or bay. The availability of Hamilton to make beneficial use of material dredged from the Port of Oakland and other sites around the Bay helps to promote urban waterfronts around the Bay, implement the multi-agency LTMS, and prevent overuse of in-Bay and ocean disposal sites, while creating a diverse array of wetland habitats on the site.

CONSISTENCY WITH  
SAN FRANCISCO

BAY PLAN: The project will assist in the implementation of BCDC's San Francisco Bay Plan which contains policies to protect and restore marshes and mudflats (pages 9 and 1012): "Marshes and mudflats should be maintained to the fullest possible extent to conserve fish and wildlife and to abate air and water pollution." And ". . . the quality of existing marshes should be improved by appropriate measures wherever possible." And Fish and Wildlife policy (Page 7, Policy 1) ". . . to the greatest extent possible, the remaining marshes and mudflats around the Bay . . . should be maintained." The project would also be consistent with the Bay Plan dredging policies (pages 21-22) that promote the use of dredged material as a resource and specifically policy 4 that states: "To ensure adequate capacity for necessary Bay dredging projects and to protect Bay natural resources, acceptable non-tidal disposal sites should be secured and designated. Further, disposal projects should maximize use of dredged material as a resource, such as creating, enhancing, or restoring tidal and managed wetlands. . . ."

COMPLIANCE

WITH CEQA: In April 1999 the Conservancy certified the Environmental Impact Report/Statement for the Hamilton Wetlands Restoration project. This action is the programmatic implementation of the project.

**EXHIBIT 3**

**Hamilton Wetlands Restoration Plan Feasibility Study and FEIS/EIR**

*To be supplied under separate cover*