

COASTAL CONSERVANCY

Staff Recommendation
October 3, 2013

HAIRE RANCH ACQUISITION

Project No.13-029-01
Project Manager: Tom Gandesbery

RECOMMENDED ACTION: Authorization to disburse up to \$353,711 to the Sonoma Land Trust for the acquisition of the Haire Ranch, a 1,091-acre hay farm located on Skaggs Island within the Napa Sonoma Marsh Complex.

LOCATION: San Pablo Baylands, Southern Sonoma County

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

- Exhibit 1: [Area Map](#)
 - Exhibit 2: [Property Map](#)
 - Exhibit 3: [Project Letters](#)
 - Exhibit 4: [Cooperative Management Agreement](#)
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of up to three hundred fifty three thousand seven hundred eleven dollars (\$353,711) to the Sonoma Land Trust (SLT) towards the acquisition of approximately 1,091 acres of property commonly known as the “Haire Ranch,” Sonoma County Assessor’s Parcel Numbers 128-491-019 and 128-491-020.

1. Prior to disbursement of any Conservancy funds for acquisition, SLT shall submit for the review and approval of the Executive Officer all relevant acquisition documents, including but not limited to an appraisal, environmental assessment, escrow instructions, title report, and documents of title necessary for the purchase of the property; and information regarding the disposition of the California Land Conservation Act (“Williamson Act”) contract on the property.
2. SLT shall dedicate the property for open space preservation, natural resource protection, and public access, through an appropriate instrument approved by the Conservancy’s Executive Officer.

3. SLT shall pay no more than fair market value for the property, as established in an appraisal approved by the Conservancy's Executive Officer.
4. SLT shall submit for the review and approval of the Conservancy's Executive Officer a plan showing the design and placement of sign(s) acknowledging Conservancy funding.
5. The Executive Officer shall approve the Cooperative Land Management Agreement ("CLMA") for the property between the U.S. Fish and Wildlife Service and a land manager.
6. The Natural Resources Conservation Service of the U.S. Department of Agriculture shall agree that activities allowed under the CLMA are "compatible uses" under the conservation easement to be held by the United States over the property."

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 authorization is consistent with the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code, Sections 31160-31165.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The grantee (Sonoma Land Trust) is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

Staff recommends that the Conservancy fund up to \$353,711 for the acquisition of the fee interest in the Haire Ranch, a 1,091-acre hay farm located on Skaggs Island within the Napa-Sonoma Marsh Complex in Southern Sonoma County. Acquisition of the 1091-acre Haire Ranch will preserve open space, provide for public access, and allow the US Fish and Wildlife Service (Service) to prepare for future restoration of wetland habitat on Skaggs Island, which totals 4,400 acres in size. While the Service was able to acquire the 3,300-acre closed Naval communications property in 2010 from the US Navy for inclusion in the San Pablo Bay National Wildlife Refuge (Refuge), the Service is precluded from flooding Skaggs Island or otherwise adequately managing the water on the Island because the Navy and Haire properties are contiguous and share a common drainage network (see Exhibit 2). Since restoration of tidal marsh on the Refuge portion of the island would result in flooding Haire Ranch, future restoration of Skaggs Island would be infeasible without acquiring the Haire Ranch.

The Natural Resources Conservation Service (NRCS) of the U.S. Department of Agriculture, through its Wetland Reserve Program, will first purchase a conservation easement from Haire over the farmed portion of the Property, which is the entire property except for an 8-acre portion that contains farm buildings. Sonoma Land Trust (SLT), the Conservancy's grantee, will then acquire the fee interest in the entire property, including the eight acres, and convey the fee to the Service for inclusion in the Refuge. (As a matter of administrative jurisdiction between the two federal agencies, they will continue to treat the NRCS easement as remaining intact.)

The property is currently subject to a Williamson Act contract, which pertains to agricultural uses, though the property does not contain prime soils and is used for grazing and haying. The Service will continue to manage the property for these uses through its Cooperative Land Management Agreement. In the interim, the Service will analyze restoration alternatives and related environmental considerations, consistent with the goal of the Refuge, which is to “administer a national network of lands and waters for the conservation, management, and where appropriate, restoration of the fish, wildlife, and plant resources and their habitats within the United States for the benefit of present and future generations of Americans.”

The Service has identified some of the funds that will be needed for the future restoration project, including up to \$4 million from NRCS, contingent on availability of USFWS funding for support, planning, permitting, and construction.

SLT is well qualified to carry out this acquisition, as it has administered many Conservancy grant-funded projects in the past. SLT is also uniquely qualified to assist the Service in acquiring this property because it is able to purchase the property expediently and secure funding from a variety of sources. SLT has protected more than 25,000 acres in Sonoma County since 1976, including Sears Point and the Jenner Headlands.

Site Description: Skaggs Island is located within the Napa-Sonoma Marsh Complex and is bordered by Hudeman Slough to the east, Second and Third Napa Sloughs to the northwest, Sonoma Creek to the southwest, and Highway 37 to the south. For many years, Skaggs Island has been a focal point for regional planning of tidal marsh restoration.

At present, Haire Ranch is actively farmed, producing an annual crop of oat hay, a typical use for the diked historic Baylands along San Pablo Bay. Farmable conditions are maintained by a system of levees, ditches and pumps. Farm residences, barns and outbuildings are located on approximately 8 acres in the northwest corner of the property.

Once acquired by SLT, the Ranch will be conveyed to the Service and managed as part of the San Pablo Bay National Wildlife Refuge, which manages over 13,000 acres at the edge of San Pablo Bay from the mouth of the Petaluma River to Vallejo.

Ownership of the entire Skaggs Island will create one connected hydrologic unit, maximizing the connectivity and habitat values of surrounding restoration projects such as the Napa-Sonoma Marshes Wildlife Area, as well as the investment of millions of dollars of public and private funds in quality wildlife habitat in San Pablo Bay. The surrounding marshes contain salt and freshwater marshes, seasonal wetlands, coastal scrub, and sloughs. Acquisition of Haire Ranch will yield multiple benefits, including:

- Future restoration of wildlife habitat - including habitat for commercially important salmon and sturgeon among others;
- Food and shelter for millions of shorebirds and hundreds of thousands of waterfowl that migrate through or winter every year;
- Filtration of pollutants entering the Bay;
- Carbon sequestration; and
- Flood protection.

Project History: The Conservancy has contributed for decades to many projects in Sonoma County and along the shores of San Pablo Bay. Starting in the 1980s with Sonoma Baylands, the Conservancy has invested many millions of dollars in a variety of open space, habitat and restoration projects in the region. The Conservancy played a key role in the acquisition and restoration of the former Cargill Salt ponds to the east of the Property and assisted in the protection of the Tolay Creek watershed (to the west of the Property) from its headwaters to the San Pablo Bay, through three land acquisitions: Sears Point, Roche Ranch, and Tolay Lake.

The U.S. Navy purchased 3,300 acres of land from the Skaggs family to create a communications and listening post simply known as Skaggs Island. From 1941 to 1993, Skaggs Island was a Naval facility complete with a small town of 250-400 people and even included facilities like a movie theater, gymnasium and, convenience store. It was a self-contained community that supported military communications facilities and activities.

Upon closure of the Skaggs Island Naval Facility, efforts to convey the naval portion of the island to the Service were put in motion. Other uses were considered but the idea to convert the former naval facility to a unit of the Refuge received the most support. For many years, the Service had planned to acquire the former Navy communications property on Skaggs Island for inclusion into the Refuge; however, the transfer was delayed due to concern about contamination from some of the abandoned buildings as well as disagreements with the Navy over payment for building demolition. Meanwhile the former Navy base and village fell into disrepair and was frequented by vandals and copper scavengers. In 2008, then Congresswoman Lynn Woolsey introduced a bill that led to demolition of the Navy buildings in 2010, and transfer of the property from the Navy to the Service in 2011. The Skaggs transfer also made use of eight million dollars of Caltrans Bay Bridge construction mitigation funding, controlled by the San Francisco Bay Conservation and Development Commission, which was used to complete the building removal. Wetland restoration plans such as the 1999 Baylands Ecosystem Habitat Goals Report identify restoration of Skaggs Island as a very high priority due to its large size and central location within the Napa-Sonoma Marshes.

Once the Navy property was transferred to the Service, SLT and the Service, with other stakeholders, began working on management of the Island. While the Service was able to acquire the 3,300-acre closed Naval communications property from the US Navy, the Service is currently precluded from properly managing the water and land since the Navy and Haire properties are contiguous and share a common drainage network (see Exhibit 2). Acquisition of the Haire Property will make it possible to better manage the entire Island for habitat and will allow the Service to eventually restore tidal action to the Island without the obligation to protect the Haire Ranch from flooding. In the meantime, agricultural uses will remain on the Haire property under the Cooperative Land Management Agreement (Exhibit 4). Close of escrow for the acquisition is scheduled for December 15 2013.

PROJECT FINANCING

The NRCS has entered into a contract to purchase a conservation easement for \$7,587,580. Sonoma Land Trust initiated negotiations with Jim and Judy Haire, owners of Haire Ranch in 2010 and entered into an option agreement to purchase the fee interest in the property for \$707,422. The cost of the two transactions is shown below:

Coastal Conservancy	\$353,711
Gordon and Betty Moore Foundation	\$353,711
US Fish and Wildlife Service	\$19,000
Sonoma Land Trust	\$11,500
Natural Resources Conservation Service	<u>\$7,587,580</u>
Total	\$8,417,274

Conservancy funding for acquisition of the fee interest will be matched 1:1 by the Gordon and Betty Moore Foundation. If one takes into account the NRCS funding for the conservation easement, then the Conservancy's contribution is matched 23:1 by other funders.

The anticipated source of Conservancy funds will be an appropriation to the San Francisco Bay Area Conservancy Program of the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). This funding source may be used for the protection and restoration of coastal waters and watersheds, including projects consistent with Chapter 4.5 of Division 21, the provisions of the Conservancy's enabling legislation pertaining to the resource and recreational goals of the San Francisco Bay area. Consistent with that chapter, the proposed acquisition will protect and allow for future restoration of open-space resources and help to preserve the natural habitat values of lands in the southern Sonoma County Creek, which drains into San Francisco Bay. Proposition 84 also requires that, for acquisition projects that protect natural resources, the Conservancy give priority to projects that demonstrate one or more of the following criteria specified in Section 75071 of the Public Resources Code. The proposed acquisition satisfies three of the five specified criteria:

- 1) The property contributes to linking existing protected areas with other large blocks of protected habitat. The linkage serves to connect existing protected areas, facilitate wildlife movement and botanical transfer, and results in sustainable combined acreage within the San Pablo Bay National Wildlife Refuge;
- 2) The project will contribute to long-term protection of and improvement to the water and biological quality of Sonoma Creek and its associated network of sloughs;
- 3) The project is supported by matching funds. An additional \$7.8 million, or approximately 95% of the total project cost, is being contributed to the acquisition from funding sources other than the Conservancy.

As required by Section 75701, Conservancy staff has submitted to the Resources Agency and posted on the Conservancy's website an explanation as to how the proposed acquisition meets the criteria of this section.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project is undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31165, to address resource goals in the San Francisco Bay Area.

Consistent with Section 31162, the project is located in the nine-county San Francisco Bay Area.

Under Section 31162(b), the Conservancy may act to “protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas and other open-space resources of regional importance.” Acquisition of the Haire Ranch property will bring its resources under the stewardship of the Service. The open-space resources currently on the property include farming. Future restoration will support seasonal and tidal wetlands, coastal scrub and grasslands.

Furthermore, under Section 31162(d), the Conservancy may “promote, assist, and enhance projects that provide open space and natural areas that are accessible to urban populations for recreational and educational purposes.” This property is only a few minutes’ drive from State Route 37 and Interstate Highway 80 and easily accessed by residents of Marin, Sonoma and Solano counties.

Consistent with Section 31163(c), the project is 1) supported by adopted regional plans, including the San Francisco Bay Plan, San Francisco Estuary Project Comprehensive Conservation and Management Plan, San Francisco Baylands Ecosystem Habitat Goals Report, Bay Trail Plan, Sonoma Bay Trail Corridor Plan, and the California Climate Adaptation Strategy; 2) is regionally significant in terms of the baylands habitat restoration potential; 3) can be implemented in a timely way as there is a willing seller; 4) provides an opportunity to acquire a significant property that could be lost; and 5) includes significant matching funds from other sources.

CONSISTENCY WITH CONSERVANCY’S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 11, Objective 11A** of the Conservancy’s 2013 Strategic Plan, the proposed acquisition will help protect hundreds of acres of tidal wetlands, seasonal wetlands and subtidal habitat that surround the Ranch.

The acquisition is also consistent with **Goal 11, Objective 11B** in that it will protect 1,091 acres of land that functions as wildlife connecting corridors, scenic areas and other open-space resources of regional significance.

CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy’s Project Selection Criteria and Guidelines, last updated on November 10, 2011, 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:** Acquisition of Haire Ranch and future restoration of Skaggs Island has been identified as a priority in every major conservation plan for the Bay and is supported by federal, state, and local elected officials. Acquisition of the Ranch enjoys widespread support from the public and private sector (Exhibit 3). Major supporters include:

U.S. Fish and Wildlife Service. Acquisition will allow future fulfillment of numerous goals and objectives identified in the Draft Tidal Marsh Recovery Plan, providing direct and indirect benefits to a number of federally listed species including California clapper rail.

U.S. Environmental Protection Agency and the San Francisco Bay Regional Water Quality Control Board. The project has the potential to improve water quality in the marsh complex.

California Department of Fish and Wildlife. The Marin-Sonoma Baylands Conceptual Area Protection Plan (CAPP) identified the Ranch as a top priority in the North Bay based on the number of species benefitted, habitat contiguity, and adaptation to sea level rise.

Elected officials supporting the project include: Assemblyman Marc Levine, State Senator Lois Wolk, Congressman Mike Thompson, and County Supervisor Susan Gorin.

Nonprofit Organizations: San Francisco Bay Joint Venture; Napa-Solano Audubon Society; Point Blue Conservation Science; Friends of the San Pablo Bay Wildlife Refuge; Save The Bay; The Bay Institute.

4. **Location:** Skaggs Island is located within the Napa-Sonoma Marsh Complex and is bordered by Hudeman Slough to the east, Second and Third Napa Sloughs to the northwest and Sonoma Creek and Highway 37 to the south (Exhibit 2). It is an area that has been a focal point for tidal marsh restoration in the Northern Bay Area.
5. **Need:** Conservancy funding is critical in order to purchase this property. Without funding, it is not likely that SLT could raise funds from another source. As stated above, the Conservancy's funding is matched 1:1 by the Gordon and Betty Moore Foundation. Together these two commitments make up the majority of funding necessary to acquire fee title to the property. In addition NRCS is providing \$7,587,580 for the wetland easement.
6. **Greater-than-local interest:** With this acquisition, the Haire Ranch will become part of the San Pablo Bay National Wildlife Refuge. Eventually, some or all of the property will be open to the public for passive recreation. The recreational opportunities, scale, context within other protected and restored lands, restoration potential and ability to mitigate climate change give this acquisition great regional significance. In addition, Hudeman Slough on the north side of the Island can be accessed by boat from a county-maintained boat ramp, and the San Pablo Bay National Wildlife Refuge Visitor's Center is located on Highway 37 just 3 miles east of Skaggs Island and is planned to serve as a hub for public access, education and research in the North Bay.
7. **Sea level rise vulnerability:** Restoration of tidal marshes surrounding the Bay is a critical adaptation measure that will benefit wildlife, the public, and infrastructure. Located along the shore of San Pablo Bay, the Ranch is vulnerable to sea level rise and storm surge. However the property will be a valuable addition to the San Pablo Bay National Wildlife Refuge because once restored to tidal marsh by the Service, it will have a chance to respond to sea level rise by accreting marsh in response to rising sea levels.

Additional Criteria

8. **Urgency:** SLT and the other parties have facilitated a NRCS Wetland Reserve Program grant that pays the majority of costs and which is currently available to the owner. Delays in granting funds could result in a loss of the grant and other matching funds.

10. **Leverage:** See the “Project Financing” section above.
13. **Readiness:** SLT is able to manage grant funding and carry out the simultaneous acquisition and transfer of the property to the Service.
16. **Cooperation:** SLT is partnering with the Gordon and Betty Moore Foundation, the Natural Resource Conservation Service (NRCS) and the US Fish and Wildlife Service to acquire this property and has worked out an acquisition strategy with the landowner.
17. **Vulnerability from climate change impacts other than sea level rise:** Predictions on the effects of a warming climate in this region, with its diverse topographic and climatic gradients, are speculative at this time. However, it seems reasonable to predict, as most scientists do, that a (relatively) rapidly warming climate will have profound effects on the ability of many species to persist locally. Once the property is restored, impacts such as fire and drought will not affect the tidal marsh. Any seasonal wetlands could be affected by persistent drought. The most likely impact would be an influx of non-native species, which would be addressed through routine management by the Refuge. The Ranch will be managed by USFWS consistent with the management plans for the entire Refuge.
18. **Minimization of greenhouse gas emissions:** The acquisition will not generate GHG emissions. If the Ranch is acquired and restored, there would likely be a reduction in GHG emissions since the property would no longer require operation of levee pumps. In addition, restoration of the property to wetlands would sequester carbon.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The Bay Conservation and Development Commission prepared the San Francisco Bay Plan to guide the future protection and use of San Francisco Bay and its shoreline. The Bay Plan states that, “[w]here feasible, former tidal marshes and tidal flats that have been diked from the Bay should be restored to tidal action in order to replace lost historic wetlands or should be managed to provide important Bay habitat functions, such as resting, foraging, and breeding habitat for fish, other aquatic organisms and wildlife.” Part III - The Bay as a Resource: Findings and Policies, Tidal Marshes and Tidal Flats, Policy 4, amended October 2011. The proposed acquisition will allow the Service to initiate future restoration consistent with this policy as well as with many additional standing and amended policies of the Bay Plan.

COMPLIANCE WITH CEQA:

The proposed acquisition of the fee interest in the property by Sonoma Land Trust is categorically exempt from CEQA under 14 Cal. Code of Regulations Sections 15325 in that it involves the acquisition of an interest in land for open space and wildlife habitat purposes, to preserve existing natural conditions or restore natural conditions. Initially, the open-space uses will include continued agriculture. Subsequent open-space uses are expected to include wildlife habitat and public access through a future project of the Service and following appropriate environmental review.