

COASTAL CONSERVANCY

Staff Recommendation
January 23, 2014

**FRANKLIN CANYON AND FERNANDEZ RANCH
PUBLIC ACCESS, HABITAT AND GRAZING IMPROVEMENTS**

Project No.09-005-02
Project Manager: Melanie Denninger

RECOMMENDED ACTION: Authorization to disburse up to \$206,500 to the Muir Heritage Land Trust for design and construction of public access, habitat, and grazing improvements on the contiguous Franklin Canyon and Fernandez Ranch properties in Contra Costa County.

LOCATION: Franklin Canyon and Fernandez Ranch properties in the City of Hercules and in unincorporated Contra Costa County

PROGRAM CATEGORY: San Francisco Bay Area Conservancy Program

EXHIBITS

- Exhibit 1: [Project Location Maps](#)
- Exhibit 2: [Site Map](#)
- Exhibit 3: [Project Photographs](#)
- Exhibit 4: [Project Letters](#)
- Exhibit 5: [Final Initial Study and Mitigated Negative Declaration & Mitigation Monitoring and Reporting Program](#)

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 an amount not to exceed \$206,500 (two hundred six thousand five hundred dollars) to the Muir Heritage Land Trust (MHLT) for design and construction of the first phase of public access, habitat and grazing improvements on the Franklin Canyon and Fernandez Ranch properties in Contra Costa County and, to the extent that sufficient funds remain after completion of the first phase, for construction of additional grazing and habitat improvements on these properties, subject to the following conditions:

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1. Prior to the disbursement of funds for the first phase of construction, MHLT shall submit the following for review and approval of the Executive Officer of the Conservancy:
 - a. A detailed work program, budget, and schedule;
 - b. Evidence that all permits and approvals necessary for the completion of first phase of construction have been obtained;
 - c. A plan for the installation of a sign acknowledging Conservancy funding;
 - d. The name(s) and qualifications of any contractors that MHLT intends to employ for the first phase of construction.

2. Notwithstanding the provisions of Condition 1 above, the Conservancy may disburse funds for design of the first phase of improvements and for obtaining permits and approvals needed for the first phase of construction upon review and approval by the Executive Officer of a work program, budget, and schedule and the names and qualifications of any contractors that MHLT intends to employ for this work.

3. Prior to the disbursement of funds for the second phase of construction, MHLT shall submit the following for review and approval of the Executive Officer of the Conservancy:
 - a. Documentation that the first phase of construction has been completed satisfactorily;
 - b. Evidence that all permits and approvals necessary to the completion of the second phase of construction have been obtained;
 - c. A new detailed work program, budget, and schedule;
 - d. The name(s) and qualifications of any contractors that MHLT intends to employ for the second phase of construction.

4. Notwithstanding the provisions of Condition 3 above, the Conservancy may disburse funds for engineering and design of the second phase of improvements and for permits and approvals needed for the second phase of construction upon review and approval by the Executive Officer of a work program, budget, and schedule and the names and qualifications of any contractors that MHLT intends to employ for this work.”

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 Chapter 4.5 of Division 21 of the Public Resources Code, regarding the San Francisco Bay Area Conservancy Program.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The Conservancy has independently reviewed and considered the Final Initial Study and Mitigated Negative Declaration for the Franklin Canyon/Fernandez Ranch Project, and public

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comment (attached to the accompanying staff recommendation as Exhibit 5), and finds that the project, as designed and mitigated, avoids, reduces or mitigates the possible significant environmental effects and that there is no substantial evidence that the project will have a significant effect on the environment, as defined in 14 California Code of Regulations Section 15382.

4. The Muir Heritage Land Trust is a nonprofit organization existing under section 501(c)(3) of the Internal Revenue Service, and whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:

This authorization would provide up to \$206,500 to MHLT for design and construction of Phase 1 access, habitat and grazing improvements on the contiguous Franklin Canyon and Fernandez Ranch properties in the City of Hercules and in unincorporated Contra Costa County and, to the extent that sufficient funds remain after completion of the first phase, for construction of a second phase of grazing and habitat improvements on these properties (Exhibits 1, 2 and 3).

This project is a priority for Conservancy funding because it will help implement public access, habitat and working landscapes goals and objectives of the Conservancy’s Strategic Plan and serve the purposes of the Conservancy’s past assistance with acquiring both properties. Trails and related improvements will enable MHLT to open Franklin Canyon to the public. Fencing and water development will enable MHLT to lease Franklin Canyon for cattle grazing, which in turn will help improve conditions for native vegetation and reduce fire hazards to adjacent housing. Fencing and pond improvements on Fernandez Ranch, which is already used for grazing and is open for public access, will improve riparian and pond habitat. Construction of a corral on Fernandez Ranch will enable better grazing management, resulting in improved conditions for native vegetation.

In Phase 1 of the project, MHLT will design, obtain permits and approvals for, and build approximately 2.5 miles of trails with associated signage for public access, and approximately 1.8 miles of fencing and a spring impoundment for grazing management and habitat improvement, all on Franklin Canyon. Fernandez Ranch improvements during Phase 1 will consist of enhancing an existing pond for wildlife habitat. The estimated cost of these pre-construction and construction activities, including project management, is \$206,500. If MHLT is able to reduce Phase 1 costs by using volunteer labor or obtaining matching funds, it will undertake a second phase of improvements, which include designing, obtaining permits and approvals for, and building an additional 2.3 miles of fencing for grazing management on Franklin Canyon and almost 1.0 mile of fencing and a corral for habitat protection and grazing management on Fernandez Ranch,.

Under previous Conservancy grants, MHLT has been effective in deploying volunteer labor to reduce trail- and fence-construction costs and in obtaining matching funds. With the recommended grant of Conservancy funds, the MHLT will be in a better position to apply for grants available from the Natural Resources Conservation Service for rangeland improvements.

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MHLT has also demonstrated its ability to manage grant funding and to plan, build, operate, and maintain trail, grazing and habitat improvements on its properties.

Site Description: The Franklin Canyon and Fernandez Ranch properties comprise 1,185 contiguous acres of rolling, grass-covered hills, oak woodlands, mixed riparian forests and ephemeral streams and springs lying in the watersheds of Refugio and Rodeo Creeks and in the heart of publicly and privately owned rangeland and open space just south of Highway 4 in the eastern end of the City of Hercules and in unincorporated Contra Costa County. Many of the higher ridgelines provide wonderful views of San Pablo Bay to the west and Mount Diablo to the east. Two of Hercules' easternmost residential neighborhoods abut Franklin Canyon, heightening the need for fire-risk management (Exhibits 1, 2 and 3).

MHLT owns both properties in fee. The smaller of the properties, Franklin Canyon (483 acres) is not yet open to public access because it lacks improved trails, signage, and a connection to a staging area. Franklin Canyon is not used for grazing either, because it lacks adequate fencing and developed water. Fernandez Ranch (702 acres) has a staging area and 3.5 miles of hiking trails open to the public and school groups, and also supports a working cattle operation.

Project History: The Conservancy assisted MHLT with acquisition of Fernandez Ranch in 2005 and of Franklin Canyon in 2010. In addition, the Conservancy has provided funding assistance to MHLT for designing and building public access, habitat, and grazing management improvements on Fernandez Ranch and for preparation of a plan for combined improvement and management of the two properties. Throughout, the MHLT has shown itself to be resourceful and diligent in finding ways to reduce project costs and obtain volunteer labor and matching funds.

PROJECT FINANCING

Coastal Conservancy	\$206,500
Project Total*	\$206,500

*As described in the "Project Summary" above, MHLT will complete Phase 1 of the project using Conservancy funds and, if MHLT accomplishes sufficient cost-savings and obtains sufficient matching funds, it will also undertake Phase 2 of the project.

The anticipated source of Conservancy funds for this grant is the fiscal year 2012 appropriation to the Conservancy from the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). Proposition 84 funds may be used for the purposes of promoting access to and enjoyment of the coastal resources as well as the protection natural habitat values in accordance with the provisions of the Conservancy's enabling legislation. (Public Resources Code (PRC) § 75060). This authorization will provide and enhance public access to the Franklin Canyon and Fernandez Ranch properties and protect existing riparian and grassland habitat. Consistent with Proposition 84, the proposed project will be undertaken pursuant to the San Francisco Bay Area Conservancy Program (Chapter 4.5 of Division 21 of the PRC), as described below.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

Funding of the Franklin Canyon and Fernandez Ranch public access, habitat and grazing improvements project is consistent with the Conservancy's San Francisco Bay Area Conservancy Program, Chapter 4.5 of the Conservancy's enabling legislation, , which seeks to address the resource and recreational goals of the nine Bay Area counties in a "coordinated, comprehensive, and effective way." (PRC § 31160).

Pursuant to Section 31162(a), the Conservancy may award grants in the nine-county San Francisco Bay Area that will help to improve public access to, within, and around ridge tops and urban open spaces, consistent with the rights of private property owners, and without having a significant adverse impact on agricultural operations and environmentally sensitive areas and wildlife. Consistent with Section 31162(a), the proposed project is in Contra Costa County, one of the nine San Francisco Bay Area counties; would improve public access to, within, and around the ridge tops on the Franklin Canyon property and provide a connections to urban open space in the City of Hercules; has been planned in consultation with the owners of surrounding public and private property and the City of Hercules; has been designed to avoid or compensate for potential significant adverse impacts to environmentally sensitive areas; and is consistent with local urban- and trail-planning efforts.

Pursuant to Section 31162(b), the Conservancy may award grants to protect, restore, and enhance natural habitats and watersheds of regional importance. Consistent with this section, the proposed project would protect the habitat in and along Fern Creek, a tributary to Rodeo Creek, from damage by cattle, enhance pond habitat, and improve grassland vegetation by enabling managed grazing for the benefit of native species.

Pursuant to Section 31162(d) of the PRC, the Conservancy may award grants to enhance projects that provide open space and natural areas that are accessible to urban populations for recreational purposes. The proposed project would open Franklin Canyon to public use and enable connection to the adjacent urban population in the City of Hercules.

The proposed project satisfies four of the five criteria for determining project priority under Section 31163(c), as follows: (1) the project is support by adopted regional plans, including the County of Contra Costa's General Plan; (2) it serves a regional constituency by expanding the trails available from the existing staging area near Highway 4 and enabling a connection to the adjacent urban population in the City of Hercules; (3) it can be implemented in a timely manner; and (4) provides the benefit of urban fire protection through managed grazing, which is urgent to both protect and restore habitat and to protect existing residential development. In addition this project would meet the final criterion if MHLT is able to obtain the matching funds for portions of the project.

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

Consistent with **Goal 11, Objective D** of the Conservancy's 2013-2018 Strategic Plan, the proposed project will enhance upland habitat by installing fencing that will enable managing grazing for the benefit of native vegetation.

Consistent with **Goal 11, Objective F**, the proposed project will enhance riparian habitat along Fern Creek for the benefit of wildlife by installing fencing to exclude cattle.

Consistent with **Goal 12, Objective I**, the proposed project will construct trails on Franklin Canyon that will enable connection to the urban community in the City of Hercules.

Consistent with **Goal 13, Objective B**, the proposed project will assist ranchers and MHLT with stewarding the native vegetation on leaseholds on both the Franklin Canyon and the Fernandez Ranch properties.

**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:** The proposed project has broad support from the community and from elected officials. Attached as Exhibit 4 are letters from Congressman Mike Thompson, State Senator Loni Hancock, Assemblymember Susan Bonilla, County Supervisors Federal Glover and Candace Andersen, and the Contra Costa Resource Conservation District.
4. **Location:** The proposed project is located in Contra Costa County within the jurisdiction of the San Francisco Bay Area Conservancy Program. It will benefit the San Francisco Bay Region by providing a link between an urban population and ridge-top trails, enhancing native plant communities and wildlife, and improving an existing working landscape.
5. **Need:** While MHLT expects to engage volunteer labor for some construction activities and to obtain matching funds as it has in the past, without Conservancy assistance it would still lack sufficient funding to complete even the Phase 1 tasks in the proposed project.
6. **Greater-than-local interest:** The proposed project would accomplish regional goals for public access for urban communities, enhancement of native plant communities and habitat, and stewardship of working landscapes.
7. **Sea level rise vulnerability:** The proposed project is located in an area that is not vulnerable to impacts due to anticipated rise in sea level attributable to global climate change.

Additional Criteria

9. **Resolution of more than one issue:** The proposed project will integrate public access and habitat improvements with grazing, with the additional benefit of reducing fire risk to adjacent residential areas.
10. **Leverage:** See “Project Summary” section above.
13. **Readiness:** MHLT has experienced staff ready begin the proposed project. According to MHLT’s schedule, it will be able to complete the design and permitting aspects of Phase 1 in time to undertake construction during 2014.
14. **Realization of prior Conservancy goals:** See “Project History” above.
16. **Cooperation:** The Natural Resources Conservation Service has already provided advice to MHLT on aspects of the proposed project, including enhancement of an existing pond for wildlife habitat and construction of a well and spring impoundment to provide water needed for grazing management.

COMPLIANCE WITH CEQA:

Pursuant to the California Environmental Quality Act (CEQA), the City of Hercules, as lead agency, prepared a Draft Initial Study and Mitigated Negative Declaration to provide the public and responsible and trustee agencies with information on the potential effects of MHLT’s proposed Franklin Canyon/Fernandez Ranch Project. Following close of the public comment period, the City prepared the Final Initial Study and Mitigated Negative Declaration (MND), which includes a Mitigation Monitoring and Reporting Program (MMRP). The MND found that, with mitigation, the project will not have a significant effect on the environment. The City filed a Notice of Determination on June 18, 2013. The Final MND and MMRP are attached as Exhibit 5.

In its MND, the City concluded that the project, with the proposed mitigation measures, would not have a significant impact on the environment. The MMRP, which is on Pages 83-96 of Exhibit 4, identifies categories of potential impacts and prescribes mitigation measures to reduce the potentially significant impacts to less than significant with mitigation. The categories of potential impacts are biological resources, cultural and paleontological resources, hazards and hazardous materials, hydrology and water quality, and geology and soils and recreation (during construction). Well-established, standard mitigation measures and best management practices are used to address these impacts. In all cases, the responsibility for monitoring and reporting on fulfillment of the mitigation measures is placed on MHLT.

Staff has independently reviewed the City’s MND and the public comment provided. Staff concurs with its conclusion that the project, as designed and mitigated, addresses the potentially significant adverse environmental impacts from the project. Therefore, recommends that the Conservancy adopt a finding that the project, as designed and mitigated, does not have the potential for a significant effect on the environment. Staff also recommends that the Conservancy condition its approval of this project to require MHLT to implement all of the

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MND's mitigation measures. Staff will file a notice of determination upon approval of the project.

Staff will file a Notice of Exemption upon Conservancy approval.