

DUTCH SLOUGH ACQUISITION AND PLANNING

Agenda Item 6.

October 31, 2002

COASTAL CONSERVANCY

Project Summary
October 31, 2002

DUTCH SLOUGH ACQUISITION AND PLANNING

File No. 02-066
Project Manager: Mary Small

RECOMMENDED ACTION: Acceptance of a grant of \$25,050,000 from the CALFED Bay Delta Program for acquisition and planning of the Dutch Slough Restoration Project. Authorization to disburse up to \$23,000,000 of CALFED grant funds and up to \$5,000,000 of Conservancy funds to the Department of Water Resources to acquire the Dutch Slough property. Authorization to disburse \$2,050,000 of CALFED grant funds and an additional \$260,000 of Conservancy funds for technical studies, planning, data collection, and other work associated with planning for restoration and public access. Authorization to disburse up to \$50,000 to the City of Oakley for development of a public access master plan for the site. Authorization to disburse up to \$75,000 to the Natural Heritage Institute to develop project objectives, performance criteria, and a monitoring plan for the restoration.

LOCATION: South shore of the Sacramento-San Joaquin Delta in the city of Oakley, in eastern Contra Costa County (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

ESTIMATED COST: Acquisition

Coastal Conservancy	\$ 5,000,000
CALFED	23,000,000
Landowners (donation)	<u>10,000,000</u>
TOTAL	\$38,000,000

Restoration and Public Access Planning

Coastal Conservancy	\$ 385,000
CALFED	2,050,000
City of Oakley	<u>50,000</u>
TOTAL	\$2,385,000

Conservancy funding would likely be derived from appropriations to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Act of 2002 (Proposition 40) and the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act of 2000 (Proposition 12).

PROJECT SUMMARY: Staff is recommending that the Conservancy authorize funding for the acquisition of a 1,166-acre property in the city of Oakley, located along the shore of the Sacramento-San Joaquin Delta (Delta) in eastern Contra Costa County for the purposes of restoring habitat and creating public access opportunities (Exhibits 1 & 2).

The topography and location of the Dutch Slough site create a significant opportunity for large-scale tidal marsh restoration. Dutch Slough has not subsided as deeply as many other sites in the Delta, allowing for restoration of a variety of habitat types, including tidal wetland, low marsh, high marsh, riparian habitat, and upland transition zones, including inland dune scrub habitat (Exhibit 3). The site is located in the western delta which is an important area for tidal marsh restoration, because native fish congregate and migrate through this area and because it is in the critical transition zone between freshwater and saltwater habitats. If restored, the site would extend a corridor of tidal marsh habitat eastward along a range of salinity gradients from Suisun Marsh and including Browns Island and Sherman Lake, a distance of nearly 20 miles.

Over 97 percent of the estimated 350,000 acres of historic wetland in the Sacramento-San Joaquin Delta has been eliminated and many of the native fish species that depend on these habitats are in danger of extinction. Many special status species have been documented in this area that will benefit from this project, including Sacramento splittail, Chinook salmon, delta smelt, sandhill cranes, and giant garter snake.

The project site is zoned for mixed-use development and the landowners have a recorded development agreement for this property. If approved, this acquisition will prevent urbanization along the shore of the Delta. If this project is not approved, the site will very likely be developed.

The project will also provide much-needed open space and recreational opportunities in the region. Eastern Contra Costa County is rapidly urbanizing and has very limited parks and open space. There are very few access points where the public

can get to the shore of the Delta. This project will provide opportunities to develop new public access amenities such as wildlife viewing and fishing piers. The project will also provide for development of a trail network along the levees of the western property that will connect to East Bay Regional Park District's Ironhouse Trail.

Staff is recommending that the Conservancy accept a grant from the CALFED Ecosystem Restoration Program and authorize Conservancy matching funds to pay for the acquisition and planning costs. Staff is also recommending that the Conservancy approve a grant to the City of Oakley for development of a public access master plan and a grant to the Natural Heritage Institute to begin work on restoration planning.

This project is being implemented through a partnership between the Conservancy, CALFED, the California Department of Water Resources (DWR), the Natural Heritage Institute, the Conservation Fund, and the City of Oakley. The project has many supporters, including Assemblyman Canciamilla, Senator Torlakson, Congressional Representatives Miller and Tauscher, the City of Oakley, the Contra Costa Board of Supervisors, the Ironhouse Sanitary District, and numerous other local organizations and individuals (see Exhibit 4).

COASTAL CONSERVANCY

Staff Recommendation
October 31, 2002

DUTCH SLOUGH ACQUISITION AND PLANNING

File No. 02-066
Project Manager: Mary Small

**STAFF
RECOMMENDATION:** Staff recommends that the State Coastal Conservancy adopt the following Resolution pursuant to Sections 31104 and 31160 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy authorizes acceptance of a grant from the CALFED Bay-Delta Ecosystem Restoration Program (CALFED) of twenty-five million fifty thousand dollars (\$25,050,000) for acquisition and planning of the Dutch Slough Restoration Project in Contra Costa County.

The State Coastal Conservancy further authorizes the disbursement of an amount not to exceed twenty-three million dollars (\$23,000,000) of the CALFED grant funds and an amount not to exceed five million dollars (\$5,000,000) of Conservancy funds to the Department of Water Resources for the acquisition of the Dutch Slough property, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds, the DWR shall:
 - a. Submit for the review and approval of the Executive Officer of the Conservancy, all relevant acquisition documents, including appraisals, environmental assessments, agreements of purchase and sale, escrow instructions and documents of title necessary to the acquisition; and
 - b. Provide evidence to the Executive Officer that all other funds necessary for this acquisition have been obtained.
2. The property interests shall be acquired for no more than fair market value as established in an appraisal approved by the Executive Officer.
3. The property interests acquired shall be permanently dedicated to public access, open space and watershed

protection in a manner acceptable to the Executive Officer of the Conservancy.

The State Coastal Conservancy further authorizes disbursement of an amount not to exceed seventy-five thousand dollars (\$75,000) to the Natural Heritage Institute for the development of restoration objectives, performance criteria and a monitoring plan for the restoration project, and the disbursement of two million fifty thousand dollars (\$2,050,000) of CALFED grant funds and an additional two hundred sixty thousand dollars (\$260,000) of Conservancy funds for technical studies, planning, data collection, and other work associated with project planning.

The State Coastal Conservancy further authorizes the Executive Officer to enter into a memorandum of understanding with the City of Oakley setting forth the parties' understandings regarding public access and site management issues as discussed in the accompanying staff recommendation. The Conservancy authorizes disbursement of an amount not to exceed fifty thousand dollars (\$50,000) to the City of Oakley for development of a public access master plan for the restoration project site and the adjacent City 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 Public Resources Code Sections 31160 *et seq.*, regarding the Conservancy's mandate to address the resource and recreational goals of the San Francisco Bay Area, and with the authority of the Conservancy under Section 31104 to apply for and accept funding from public and private sources.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The Natural Heritage Institute is a nonprofit organization existing under Section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the California Public Resources Code."

STAFF DISCUSSION:

Project Description: The proposed authorization would enable the Department of Water Resources (DWR) to acquire 1,166 acres in three ownerships, located in the city of Oakley, along the southern shore of the Sacramento–San Joaquin Delta in eastern Contra Costa County for the purposes of restoring habitat and creating public access opportunities. The proposed restoration project would create a mixture of shallow water, inter-tidal marsh, floodplain, and riparian habitat. The site will also be designed to provide open space and compatible public access, creating opportunities for recreation, interpretation, and environmental education (Exhibit 2).

Staff is recommending that the Conservancy accept a grant from the CALFED Ecosystem Restoration Program and authorize Conservancy matching funds to pay for a portion of the acquisition and planning costs. Staff is also recommending that the Conservancy approve a grant to the City of Oakley for development of a public access master plan.

This project is being implemented through a partnership between the Conservancy, CALFED, the California Department of Water Resources (DWR), the Natural Heritage Institute, the Conservation Fund, and the City of Oakley. The Conservation Fund will acquire the property from private landowners and sell it to DWR.

Restoration Potential

Over 97 percent of the estimated 350,000 acres of historic tidal marsh in the Sacramento–San Joaquin Delta has been eliminated and many of the native fish species that depend on these habitats are in danger of extinction. The Dutch Slough site is an important opportunity for large-scale tidal marsh restoration in the western delta.

Unlike much of the delta, which is deeply subsided, this site has diverse topography, with elevations ranging from –8 to +10. Most of the site, more than 1,000 acres, is between the elevation –3 and +5. Topographic diversity will allow for restoration of an ecological continuum of tidal wetland, low marsh, high marsh, riparian habitat, and upland transition zones, including inland dune scrub habitat (Exhibit 3).

The western delta is an important location for tidal marsh restoration, for the following reasons: 1) numerous native fish congregate or migrate in this area; 2) it is in the critical transition area between freshwater and saltwater habitats; 3) the project

will be part of a habitat corridor extending from Suisun Marsh eastward along a range of salinity gradients to Browns Island and Sherman Lake; and 4) the site is located away from the Delta water export pumps, reducing potential for entrainment of the native fish.

Numerous and diverse fishes, birds, and other species have been observed adjacent to this site, along the Big Break shoreline and in lower Marsh Creek. Sacramento splittail, Chinook salmon and delta smelt have all been observed in lower Marsh Creek or Big Break. Big Break is one of only three locations in the Delta where adult splittail congregate in large numbers. Many other species are expected to benefit from this project, including bank swallow, black rail, sandhill crane, Swainson's hawk, yellow warbler, black tern, black crowned night-heron, California gull, common yellowthroat, Cooper's hawk, great blue heron, great egret, northern harrier, snowy egret, white-faced ibis, white-tailed kite, yellow-breasted chat, western pond turtle, and giant garter snake.

Finally, the project will prevent urbanization along the shore of the Delta. Although the property is currently in agricultural use, that use will not continue. Urbanization is surrounding the property and the landowners have been working for more than ten years to develop this property. The property was zoned for mixed use development by Contra Costa County in 1991. Each of the three properties proposed for acquisition is the subject of a recorded development agreement that, in conjunction with agreements on the other properties, would permit a master-planned community of 4,100-6,000 housing units. The purchase price of the land reflects the value of these development rights. If the restoration project does not proceed, the site will very likely be developed.

Staff is recommending the disbursement of \$28,000,000 to DWR for the acquisition of these properties. The Conservation Fund (TCF), a 501(c)(3) nonprofit organization, is a co-applicant with the Conservancy and others for the CALFED grant that has been in negotiations with the landowners for the purchase. TCF has undertaken and reviewed a wide range of property studies to carry out the public acquisition. The landowners have agreed to a significant reduction in the purchase price as a charitable contribution. TCF will complete these negotiations and affect the transfer of title to DWR.

Staff is recommending that the Conservancy approve a grant of \$75,000 to the Natural Heritage Institute, another 501(c)(3) nonprofit organization and co-applicant for the CALFED grant,

to develop specific objectives and performance criteria for the restoration project. This grant would also fund the development of a monitoring plan, which will guide baseline data collection for the project.

Working with NHI, DWR, and other project partners, the Conservancy would develop detailed plans for wetland restoration and public access on the site. Staff is also recommending that the Conservancy authorize the disbursement of CALFED and Conservancy funds for technical studies, data collection, planning, and other work necessary for such planning.

Public Access Opportunity

The project will provide much needed open space and recreational opportunities in the region. Eastern Contra Costa County is urbanizing rapidly and has very limited parks and open space. There are very few access points where the public can get to the shore of the Delta. This project will provide opportunities to develop new public access amenities such as wildlife viewing and fishing piers. The project will enable development of a trail network along the levees of the western property that will connect to East Bay Regional Park District's Ironhouse Trail.

If acquisition for the purposes of restoration is approved, the landowners have agreed, in a separate transaction, to deed 63 acres adjacent to the restoration site to the City of Oakley (Exhibit 2). Fifty-five acres of upland, including the Gilbert house and outbuildings, will be given to the City for the exclusive purpose of developing a community park. The landowners have also agreed to move the historic Emerson house onto the City's land. Eight acres east of Jersey Island Road along Dutch Slough will be given in fee title to the City. This property is isolated from the remainder of the project by the levee of Jersey Island Road.

The City of Oakley initially opposed this project because of concerns about the fiscal impacts to the City from lost development fees, uncertainty regarding long-term management, and concerns about public access. Over the past year, the Conservancy, the landowners, and the co-applicants have met with the City numerous times to discuss this project and address the community's concerns. The City Council voted in May to support the project on the condition that the property owners, DWR, and the CALFED co-applicants enter into memoranda of understanding with the City to address its concerns, and specifically on the condition that:

- DWR agree to be the long-term landowner of the restoration site
- All parties work together to plan for, fund, and provide public access amenities in association with the project
- The Conservancy provide financial assistance to the City for developing a public access master plan.

Staff is recommending that the Conservancy authorize the Executive Officer to enter into a memorandum of understanding with the City that describes the mutual understanding regarding public access and site management. Under the terms of the proposed MOU, the Conservancy would work with the City to identify sources of funding for public access improvements and property management. Additional funding may be sought from the Conservancy's San Francisco Bay Area program for public access; however, this would be the subject of a future staff recommendation and subject to further Board authorization.

Staff is recommending that the Conservancy approve a grant of \$50,000 to the City of Oakley to help fund a public access master plan for both the restoration site and the adjacent regional park. The purpose of this plan will be to balance the objectives of the restoration project with the community recreational objectives.

Project Financing: **Acquisition**

Coastal Conservancy	\$ 5,000,000
CALFED	23,000,000
Landowners (donation)	<u>10,000,000</u>
TOTAL	\$38,000,000

Restoration and Public Access Planning

Coastal Conservancy	\$ 385,000
CALFED	2,050,000
City of Oakley	<u>50,000</u>
TOTAL	\$2,385,000

The likely source of funding for the Conservancy's share of the acquisition and restoration planning would be an appropriation to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund of 2002 (Proposition 40). The proposed public access grant to the City would likely be funded from an appropriation from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal

Protection Act of 2000 (Proposition 12) for the San Francisco Bay Program of the Conservancy.

Site Description: The Dutch Slough restoration site covers 1,166 acres on three adjacent properties (Exhibit 2). It is located in the city of Oakley, in eastern Contra Costa County. The site is bounded on the north by Dutch Slough, on the south by the Contra Costa Canal, on the east by Jersey Island Road, and on the west by Marsh Creek. The restoration project will be adjacent to and planned cooperatively with a 55-acre regional recreational facility that will be owned by the City of Oakley. The site is immediately east of the East Bay Regional Park District's Big Break Regional Shoreline.

Project History: The landowner families have been farming in eastern Contra Costa County for generations. The Emerson family has owned its land since the mid-nineteenth century and has operated a dairy on the site since the early twentieth century. Emerson Dairy is last dairy operating in Contra Costa County. The Burroughs family purchased the lands between Emerson Slough and Jersey Island Road in 1906 and managed them for dairy for several decades. In 1974, they sold the parcel immediately east of Emerson Slough to the Gilbert Family. The Burroughs and Gilbert parcels have been managed as range land for over two decades.

In the 1990 Contra Costa County General Plan, this site was zoned "M-8" mixed use development. In 1997, the landowners and the County recorded development agreements on all three properties that would allow for development of a total of 4,100-6,000 units on the 1,500 acres owned by these three families. When the City of Oakley incorporated in 1999, it was required by law and by the terms of the agreements to honor this development agreement. The site is located within the city limits of Oakley and is inside the County's Urban Limit Line.

In September 2001, the Conservancy, the landowners, the Natural Heritage Institute, and the Conservation Fund applied to the CALFED Bay Delta Ecosystem Restoration Program for a grant of \$32,500,000 to fund acquisition, planning, and the first phase of restoration. During the past year, the Conservancy and other project partners have met with numerous stakeholders to discuss the project and address a variety of concerns. Over the course of these meetings, the conceptual design of the project has evolved to include more public access opportunities and to address restoration constraints such as potential impacts to water quality and the potential invasion of the

site by exotic species. If the project goes forward, the Conservancy has committed to leading the restoration planning process which will involve numerous agencies, stakeholders, technical experts, and the public.

In April 2002, CALFED's Selection Panel completed its technical review of the project and directed the Conservancy to revise the proposal. In July 2002, the Conservancy and the project partners submitted a revised grant proposal that addressed technical issues about the feasibility of the proposed restoration and included more public access amenities. The revised proposal requested funding for acquisition, planning, and the first phase of restoration. The Conservancy's proposed cost share in that proposal was \$10,000,000. In September 2002, the CALFED Selection Panel recommended funding a grant of \$25,050,000 to the Conservancy for the acquisition and planning. The Selection Panel recommended waiting for a final restoration plan before funding implementation of the restoration. The CALFED Management Team is expected to make a final recommendation in early October.

PROJECT SUPPORT: The project has a broad base of support, including: Contra Costa County Supervisor Glover, Assemblyman Canciamilla, Senator Torlakson, Congressman Miller, Congresswoman Tauscher, the Contra Costa Board of Supervisors, the Ironhouse Sanitary District, the Bethel Island Municipal Advisory Committee, the Knightson Town Council, the Delta Science Center, the Delta Chapter of the Sierra Club, the Mt. Diablo Chapter of the Audubon Society, the Federation of Flyfishers, Save the Bay, and Greenbelt Alliance. Hundreds of local citizens have signed petitions, written letters, and spoken in favor of the project. Letters of support are provided in Exhibit 4.

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

This project would be undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31163, to address resource and recreational goals in the San Francisco Bay Area.

The Dutch Slough restoration site is located in Contra Costa County, consistent with Section 31162 of the Public Resources Code, which authorizes the Conservancy to undertake projects and award grants in the nine-county San Francisco Bay Area.

Under Section 31162(a), the Conservancy may undertake projects to improve public access to and around the Bay, without

having a significant adverse impact on agricultural operations and environmentally sensitive areas. The landowners are discontinuing farming due partly to conflicts with encroaching urban development, which will soon surround the site and undermine the economic viability of the dairy and grazing operations. The site's conversion from agricultural use was previously authorized by Contra Costa County, when it recorded development agreements for the site. Despite the habitat potential at the site, a wetland delineation and biological surveys identified less than 50 acres of seasonal wetlands and no endangered or at risk species currently on the site. This project will result in the planning for regional trails connecting to population centers, public facilities, and other recreational amenities consistent with the proposed wetland restoration.

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 significance. The preservation and restoration of the Dutch Slough site will protect and enhance nearly 1,200 acres of wetlands and open space along the south shore of the Delta. The project will provide habitat for several endangered species and contribute to the goals of CALFED's ecosystem restoration program.

The proposed project meets all five of the criteria for priority projects set forth in Section 31163(d), as follows: (1) the project supports the goals of CALFED's regional ecosystem restoration program and is consistent with the City of Oakley's draft General Plan; (2) the project will serve a regional constituency; (3) the project will be implemented in a timely way; (4) Conservancy funding is critical to complete the purchase; and (5) the project includes more than \$20,000,000 in matching funds.

The Conservancy is authorized under Public Resource Code, Section 31104, to apply for and accept federal grants and other financial support from public and private sources.

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: Implementation of the proposed project would advance the purposes of Division 21 of the Public Resources Code, Chapter 4.5, by protecting, restoring, and enhancing a natural habitat of regional and statewide importance in the San Francisco Bay region.

Consistency with Purposes of the Funding Source: The acquisition and restoration planning would use funds appropriated to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund of 2002 (Proposition 40). These funds are to be used for the acquisition and development of land, air, and water resources in accordance with Division 21 of the Public Resources Code. The public access planning project would use funds appropriated from Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Act of 2000 (Proposition 12). These funds are to be used for planning regional trails and other recreational amenities consistent with the purposes of the San Francisco Bay Program of the Conservancy, Division 21 of the Public Resources Code, Chapter 4.5.

Support: The project has a broad base of support, including Supervisor Glover, Assemblyman Canciamilla, Senator Torlakson, Congressman Miller, Congresswoman Tauscher, the City of Oakley, the Contra Costa Board of Supervisors, the Ironhouse Sanitary District, the Bethel Island Municipal Advisory Committee, the Knightson Town Council, the Delta Science Center, the Delta Chapter of the Sierra Club, the Mt. Diablo Chapter of the Audubon Society, the Federation of Flyfishers, Save the Bay, and Greenbelt Alliance. Hundreds of local citizens have signed petition, written letters, and spoken in favor of the project. Letters of support are attached as Exhibit 4.

Location: The project is located on the southern shore of the Sacramento San Joaquin Delta, in the city of Oakley, in eastern Contra Costa County, within the jurisdiction of the San Francisco Bay Area Conservancy Program

Need: Over 97 percent of the estimated 350,000 acres of historic tidal marsh in the Sacramento-San Joaquin Delta has been eliminated and many of the native fish species that depend of these habitats are in danger of extinction. This project would restore a variety of habitats expected to benefit numerous species, including Sacramento splittail, Chinook salmon, delta smelt, bank swallow, black rail, sandhill crane, Swainson's hawk, yellow warbler, black tern, black crowned night-heron,

California gull, common yellowthroat, Cooper's hawk, great blue heron, great egret, northern harrier, snowy egret, white-faced ibis, white-tailed kite, yellow-breasted chat, western pond turtle and giant garter snake.

The rapidly developing cities in eastern Contra Costa County have a significant need for parks and open space. This project would protect open space and provide recreational opportunities for residents in the region to access the Delta shoreline.

Greater-than-local interest: The preservation and restoration of the Dutch Slough site will protect and enhance nearly 1,200 acres of wetlands and open space along the shore of the Delta. The project will provide habitat for several endangered species and contribute to the goals of CALFED's ecosystem restoration program. CALFED is a joint state-federal effort that was initiated in 1994 to develop long-term solutions to problems in the Bay-Delta Estuary related to fish and wildlife, water supply reliability, natural disasters, and water quality.

Additional Criteria

Urgency: The landowners have a development agreement for the property but are willing to sell the property for \$10,000,000 below the appraised value as established in an appraisal approved by Department of General Services. The CALFED grant approval process has taken nine months longer than originally anticipated. If funding for acquisition is not authorized immediately, the landowners have indicated that they will resume negotiations for development of the property.

Resolution of more than one issue: The proposed Dutch Slough project will create habitat for several endangered species and will also be designed to provide public access opportunities. The Conservancy will work with the City of Oakley and the other project partners to balance these objectives.

Leverage: Significant funding (more than \$25,000,000) for the proposed project is being provided by the CALFED Bay Delta Program. The landowners have agreed to sell the property for \$10,000,000 less than the appraised value. DWR will be the landowner of the site and will be responsible for long-term management costs.

Readiness: If approved, acquisition will be completed within the next few months and project planning will begin immediately.

Cooperation: This project is being implemented through a partnership between the Conservancy, CALFED, the California

Department of Water Resources (DWR), the Natural Heritage Institute, the Conservation Fund, the landowners, and the City of Oakley.

CONSISTENCY WITH
COUNTY AND CITY
GENERAL PLANS:

The 1991 Contra Costa County General Plan designated this property as mixed use commercial/residential. In 1997, the landowners and the County recorded development agreements that entitle the landowners to develop 4,100-6,000 units on the 1,500 acres.

The City of Oakley recently incorporated and is currently in the process of developing a general plan. The City is currently planning to zone this area open space and community center. However, the landowners will continue to protect their vested development rights until there is a purchase agreement for the restoration project.

CONSISTENCY WITH
DELTA PROTECTION

ACT: The project is in the secondary zone of the Sacramento-San Joaquin Delta, outside the primary jurisdiction of the Delta Protection Commission (DPC) as provided in the Delta Protection Act of 1992 (Public Resources Code Division 19.5, commencing with Section 29700).

On September 26, 2002 Conservancy staff presented this project for review by the DPC as an informational item. The Commissioners stated some concerns about the CALFED process, but concluded that the project was consistent with the goals of the DPC in the following respects: 1) it will create a buffer between development and the primary zone of the Delta; 2) it creates recreational opportunities to access the Delta adjacent to the urban communities; and 3) the project does not in and of itself convert economically viable farmland for purposes of restoration.

COMPLIANCE

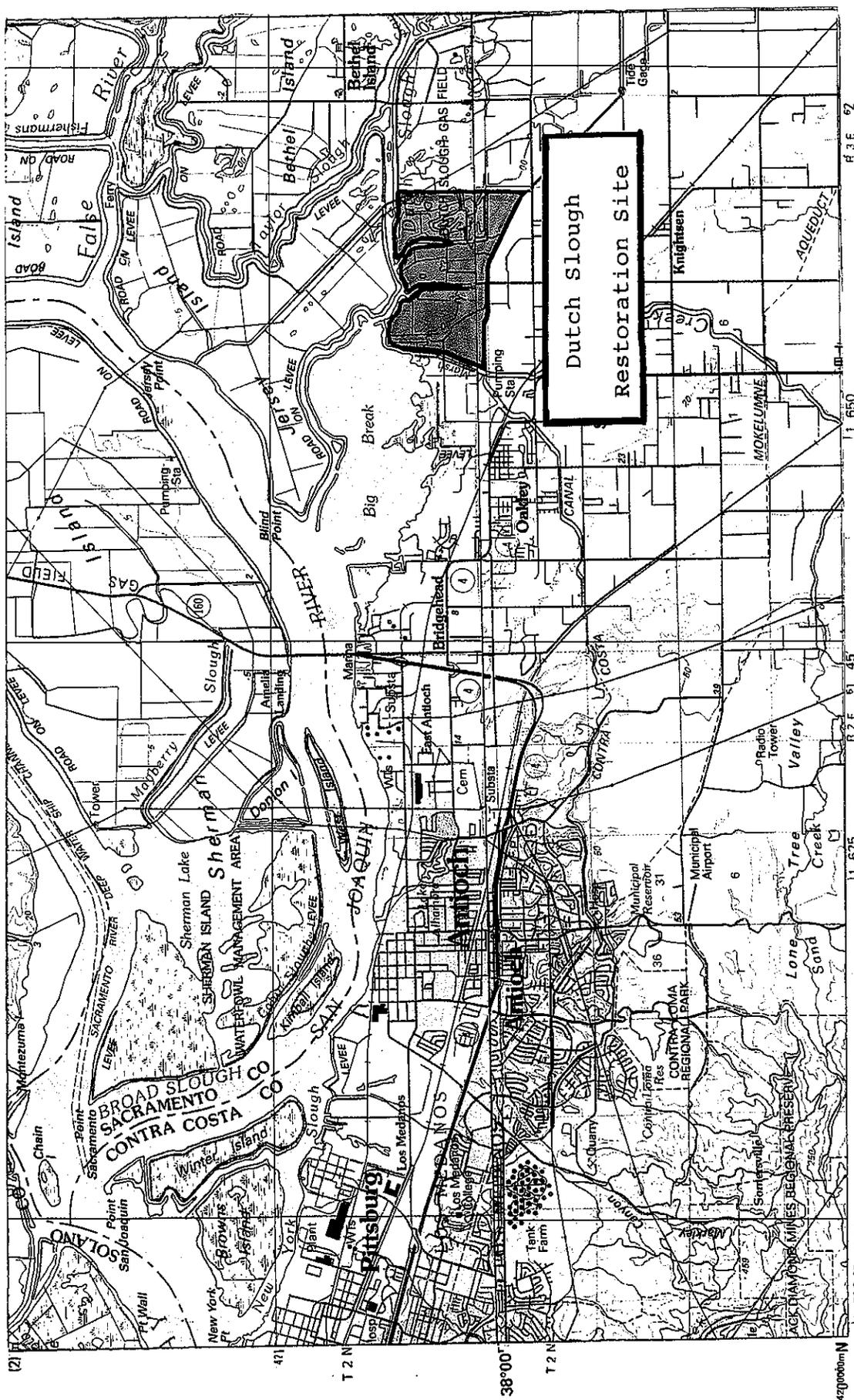
WITH CEQA:

The acquisition of land to preserve its open space character is categorically exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations, Section 15317. The project is also exempt under Section 15313, which provides a categorical exemption for the acquisition of lands for fish and wildlife conservation, including preservation of fish and wildlife habitat and preserving access to public lands

and waters, where the purpose of the acquisition is to preserve the land in its natural condition.

Planning activities are statutorily exempt from review under CEQA under 14 Cal. Code of Regulations Section 15262. Similarly, 14 Cal. Code of Regulations Section 15306 exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource.

Upon approval, staff will file a Notice of Exemption for this project.

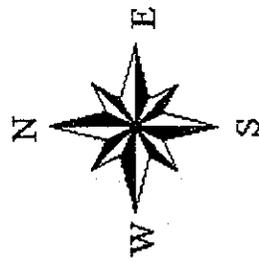


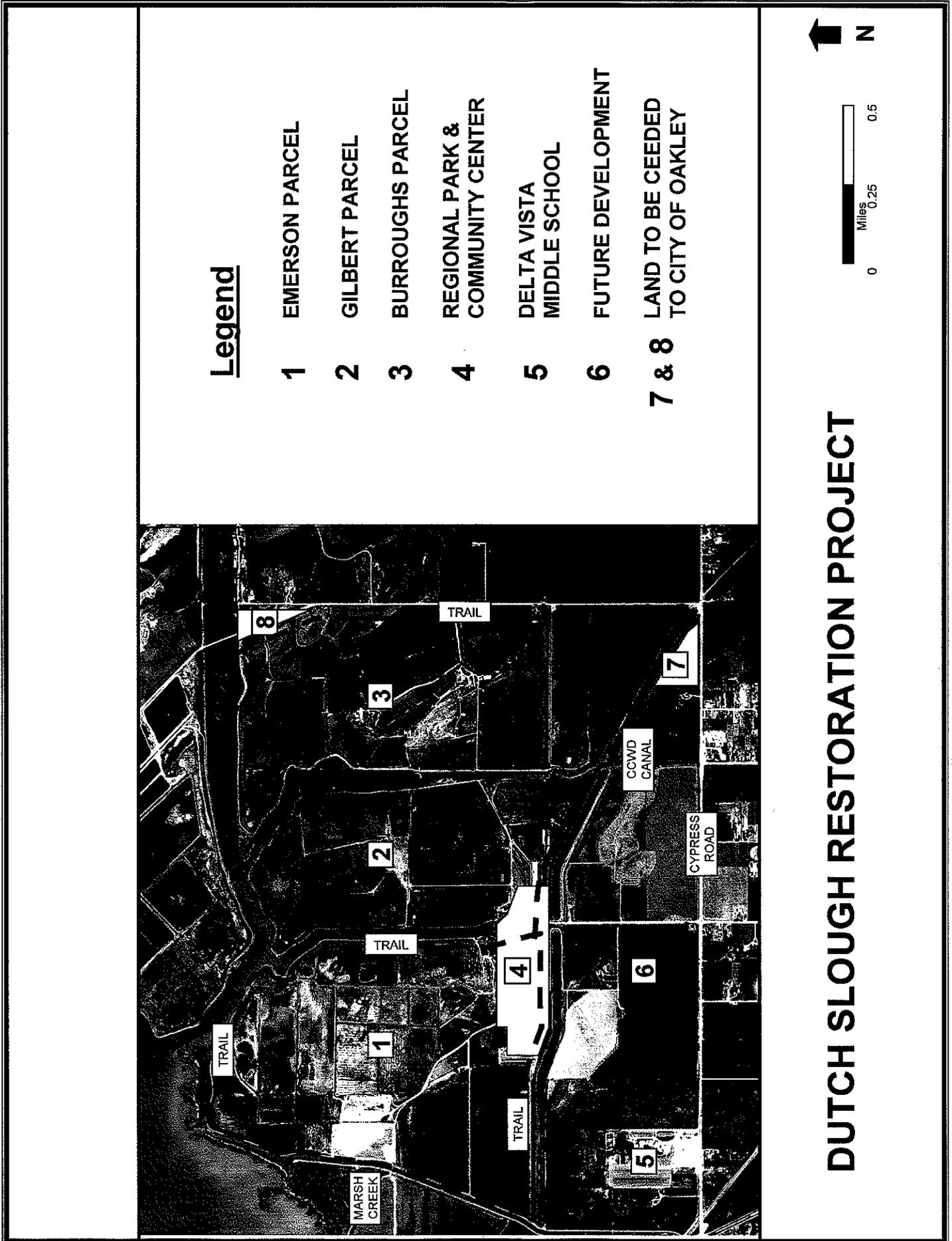
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CONTOUR INTERVAL 50 METERS
SUPPLEMENTARY CONTOUR INTERVAL 10 METERS

Dutch Slough Restoration Project

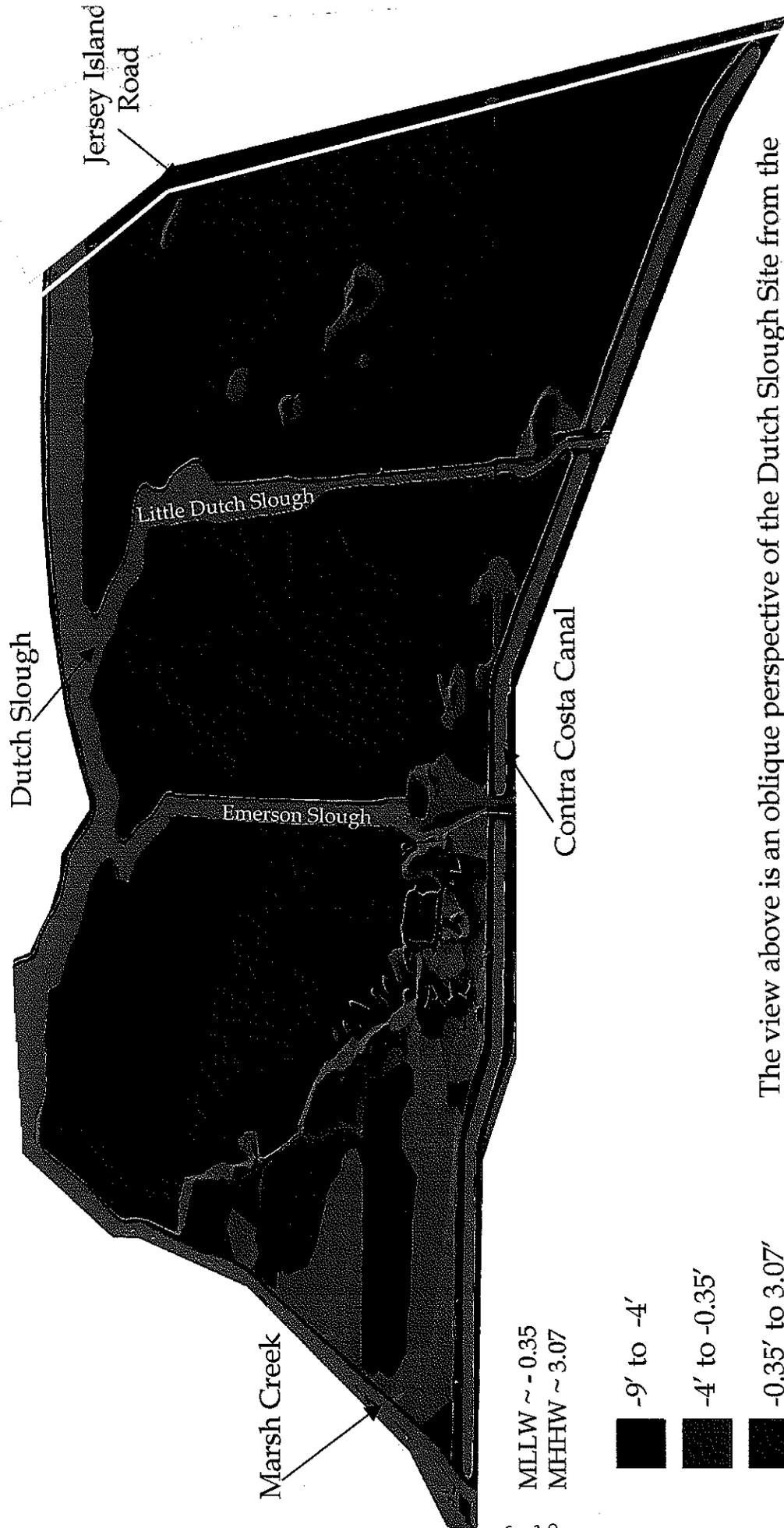
Location Map





DUTCH SLOUGH RESTORATION PROJECT

Dutch Slough Topography



The view above is an oblique perspective of the Dutch Slough Site from the south. With tidal inundation lands between -0.35 and 3.07 feet elevation will support intertidal marsh. Lands between -0.35 and -4 feet elevation may support emergent marsh. Elevations 3.07 to 5 feet would be seasonally inundated each year. The 5-8 feet elevation could be restored with riparian and grassland species, and the areas above 8 feet are mostly Delhi sands that may be suitable for dune restoration.

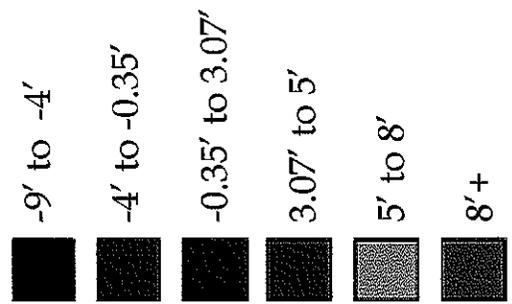


EXHIBIT 4

Letters of Support

STATE CAPITOL
ROOM 2068
SACRAMENTO, CA 95814
TEL (916) 445-6083
FAX (916) 445-2527

California State Senate

SENATOR
TOM TORLAKSON
SEVENTH SENATORIAL DISTRICT

DISTRICT OFFICES
2801 CONCORD BOULEVARD
CONCORD, CA 94519
TEL (925) 602-6593
FAX (925) 602-6598

JOINT GOVERNMENT CENTER
420 WEST 3RD STREET
ANTIOCH, CA 94509
TEL (925) 754-1461
FAX (925) 778-5174

DUBLIN SATELLITE OFFICE
100 CIVIC PLAZA
DUBLIN, CA 94568
TEL (925) 560-6380
FAX (925) 329-7318

STANDING COMMITTEES
LOCAL GOVERNMENT
CHAIR

SELECT COMMITTEES
BAY AREA INFRASTRUCTURE
CHAIR



October 8, 2002

MARY SMALLA

Mr. Paul Morabito
Chairman, Board of Directors
State Coastal Conservancy
1330 Broadway, #1100
Oakland, CA 94612

RE: Dutch Slough Tidal Marsh Acquisition and Restoration

Dear Chairman Morabito:

I am writing to urge your support for the grant to help purchase and restore the 1,200 acre Dutch Slough project. The Conservancy's \$5,385,000 grant is critical as a match for the CALFED grant of \$25 million that is currently under consideration.

The purchase and restoration of Dutch Slough will provide numerous benefits to the region, the Delta and the state. The restoration of tidal marsh and a diversity of habitats at Dutch Slough will benefit many species of fish and wildlife that have been targeted by CALFED for ecosystem restoration. The project will also provide public access to the Delta shoreline and its sloughs and offer recreational opportunities that currently do not exist in this area of the Contra Costa shoreline. The Dutch Slough plan calls for the construction of public trails, fishing piers, observation platforms and a non-motorized public boat launch. If the project does not go forward, the site could be developed and access to the Delta would be blocked.

I encourage you and your fellow board members to favorably consider the Dutch Slough request. The acquisition and restoration of the site is a tremendous opportunity to restore critical wetland habitat and create public access that could be lost if the project is not approved.

Thank you for your consideration of this project. Please call me if you have any questions.

Sincerely,

Tom
Tom Torlakson

TT:tsh

RECEIVED

OCT 11 2002

COASTAL CONSERVANCY
OAKLAND, CALIF.

Federal D. Glover

Supervisor, District Five
Contra Costa County
Board of Supervisors



315 East Leland Road
Pittsburg, CA 94565
(925) 427-8138
(925) 427-8142 Fax
(925) 634-5915 Toll Free

October 11, 2002

Mr. Paul Morabito
Chairman, Board of Directors
State Coastal Conservancy
1330 Broadway, Suite 1100
Oakland, California 94612

RE: DUTCH SLOUGH TIDAL MARSH ACQUISITION AND RESTORATION

Dear Chairman Morabito:

As an elected representative for the Contra Costa County Board of Supervisors for District V, I strongly support the Coastal Conservancy's grant for the purchase and restoration of the 1,200 acre Dutch Slough project. The Conservancy's \$5,385,000 grant is critical as a match for the much larger CALFED grant of \$25 million that is under that organizations' consideration.

The purchase and restoration of Dutch Slough will provide numerous benefits to the region, the Delta and the State. The project will also provide public access to the Delta shoreline and its sloughs and offer recreational opportunities that currently do not exist in this area of the Contra Costa shoreline. The Dutch Slough plan calls for the construction of public trails, fishing piers, observation platforms and a public boat launch for non-motorized vehicles. If the project does not go forward, the site will be developed and access to the Delta will be blocked.

I encourage you and your fellow board members to consider the Dutch Slough request favorably. The acquisition and restoration of the site is a tremendous opportunity to restore critical wetland habitat and create public access that could be lost if the project is not approved.

Thank you for taking my comments into consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Federal D. Glover".

Federal D. Glover
Supervisor, District V

E-Mail: dist5@bos.co.contra-costa.ca.us

Antioch • Bay Point • Bethel Island • Oakley • Pittsburg

The Board of Supervisors

County Administration Building
651 Pine Street, Room 108
Martinez, California 94553-1293

John Glola, 1st District
Gayle B. Wilkema, 2nd District
Donna Gerber, 3rd District
Mark DeSaulnier, 4th District
Federal D. Glover, 5th District

**Contra
Costa
County**



John Swanson
Clerk of the Board
and
County Administrator
(925) 335-1900

May 7, 2002

Patrick Wright, Director
The CALFED Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Re: Proposal to CALFED for funds to perform the Dutch Slough Restoration Project
in Contra Costa County

Dear Mr. Wright:

The Contra Costa County Board of Supervisors has authorized this letter to convey our support for the proposal submitted by the Coastal Conservancy—in partnership with the Natural Heritage Institute, the Conservation Fund, and the involved private property owners—to CALFED for \$32.5 million to perform the Dutch Slough Restoration Project near Big Break in Contra Costa County.

The proposal would acquire and restore native habitats on approximately 1200 acres in the heart of the Sacramento-San Joaquin Delta. The project holds many ecological benefits, including a prime location that is critical to many species of endangered fish, site elevations suitable for cost-effective and timely restoration of wetland habitat, and soil types and other conditions suitable for restoring a broad diversity of native habitat types on the site. The project would be a regional asset for the citizens of Contra Costa County, offering open space and recreational opportunities, and complementing the proposed Delta Science Center at Big Break. Carefully implemented, the project can avoid impacts to important drinking water resources and improve on conditions that could result from alternative uses of the site. To assure this, the project should take into consideration potential impacts on drinking water resources and facilities, including those of the Contra Costa Water District, and include sufficient funding to study and avoid or mitigate water quality, safety and security impacts.

The Board also believes that cooperation and coordination between CALFED and local government agencies will be important to the long-term success of the Ecosystem Restoration Program. As you review and hopefully implement the Dutch Slough Restoration Project, we urge continued coordination both with the County and the City of Oakley to create a project that accomplishes the goals of CALFED as well as the goals of local government.

Sincerely,

Handwritten signature of John Glola in black ink.

John Glola, Chair
Contra Costa County Board of Supervisors

cc: Dan Ray, CALFED Bay-Delta Program

May-08-2002 04:12pm
ROOM 2088
SACRAMENTO, CA 95814
TEL (916) 443-6089
FAX (916) 443-2527

Exhibit 3: October 31, 2002 Staff Recommendation
From-SENATOR TORLAKSON

DISTRICT OFFICES
2801 CONCORD BOULEVARD
CONCORD, CA 94510
TEL (925) 802-6583
FAX (925) 802-6598
JOINT GOVERNMENT CENTER
420 WEST 3RD STREET
ANTIOCH, CA 94500
TEL (925) 754-1461
FAX (925) 778-5174
DUBLIN SATELLITE OFFICE
100 CIVIC PLAZA
DUBLIN, CA 94568
TEL (925) 380-6380
FAX (925) 320-7318

California State Senate

SENATOR
TOM TORLAKSON
SEVENTH SENATORIAL DISTRICT

STANDING COMMITTEES
LOCAL GOVERNMENT
CHAIR
SELECT COMMITTEES
BAY AREA INFRASTRUCTURE
CHAIR



May 2, 2002

Patrick Wright
Executive Director
CALFED Bay-Delta Program
1416 Ninth Street, Suite 1148
Sacramento, CA 95814

Dear Mr. ^{Patrick} Wright:

I am writing to express my support for the Dutch Slough Tidal Marsh Restoration Project that has been submitted for CALFED funding. I have heard overwhelming comments from constituents in the local community in support of this project.

This project will provide benefits to the entire region, not just to the residents of Oakley. It is a unique project that addresses both the environmental need for restoration and the public's desire to enhance the local community. I believe it is for this reason that there is such widespread support.

As you know, I have also been in communication with the various parties involved in this project. I have witnessed their hard work and dedication to making this project come to fruition. All of the parties are working together to resolve the remaining concerns about the project, and I am confident that they will come to an agreement very soon.

I appreciate your consideration of this project, and I look forward to continuing our good work together.

Sincerely,

Tom
Tom Torlakson

Post-it® Fax Note	7671	Date	5-7	# of pages	1
To	Nancy	From	KIMMA		
Co./Dept.		Co.	Sen. Torlakson		
Phone #		Phone #			
Fax #	510-208-2781	Fax #			

**THE BETHEL ISLAND MUNICIPAL
ADVISORY COUNCIL**
P.O. BOX 1388 - BETHEL ISLAND, CA 94511-1388
(925) 684-3254

December 28, 2001

Patrick Wright, Executive Director
CALFED Bay-Delta Program
1416 9th Street, Ste. 1155
Sacramento, CA 95814

Dear Mr. Wright:

I am writing on behalf of the Bethel Island Municipal Advisory Council, (BIMAC) to express enthusiastic support for the Dutch Slough Tidal Marsh and Floodplain Restoration proposal submitted to CALFED by the Coastal Conservancy. The MAC is a community committee of five citizens appointed by the Board of Supervisors of Contra Costa County to review and comment on the merit of development activity that may effect the unincorporated area of the Bethel Island Area. That area includes not only Bethel Island, but Jersey Island, the community along Sandmound Slough/Boulevard and the community along Dutch Slough known as Hotchkiss Tract, immediately to the east of the proposed Dutch Slough Project. When a presentation about the proposal was discussed at the BIMAC meeting on December 10, 2001, the board, and all the members of the public in attendance, favored the project.

While everyone was impressed with and supportive of the restoration elements of the proposal, equally important is that the project allows public access to the area. We support the draft public access plan described in the proposal and expect that CALFED and the Coastal Conservancy will fully implement and honor the local communities desire for access to the properties. Currently public access to the Delta is extremely limited in our area. There is only one small strip of land at the end of Bethel Island Road that is not privately owned on Bethel Island. Visitors who wish to fish in the area must be directed to the drab Antioch Pier more than 8 miles away. The Dutch Slough Restoration project will provide all visitors, and people in the community who are not fortunate enough to live on the water, a beautiful place to recreate and fish.

SERVING BETHEL ISLAND, HOTCHKISS TRACT & JERSEY ISLAND
ROBERT CAMERON, MARGUERITE LAWRY, KIT SANDERS, AUDREY O KEEFE & RALPH WALLACE
ALTERNATE: DANN MYERS

RECEIVED

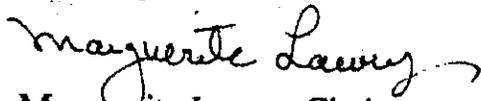
JAN 03 2002

COASTAL CONSERVANCY
OAKLAND, CALIF.

This project is only a few miles from the center of Bethel Island and is located along water access and the road that all residents must travel to reach the Island area. We believe that the project will make a significant positive impact on the daily lives of residents and visitors to the Bethel Island area. The alternative to the Dutch Slough Project will have a very negative impact on the quality of life in the area. Without CALFED funding, the Dutch Slough properties will very likely be developed into a large residential subdivision that could harm the Delta environment, increase traffic and congestion on our rural roads and restrict or eliminate public access to the Delta shoreline in that area as has happened in other parts of Oakley, at Discovery Bay and on Bethel Island.

Please fund the Dutch Slough project and save a unique piece of the Delta for the people of the State of California.

Sincerely



Marguerite Lawry, Chair
Bethel Island Municipal Advisory Council

December 28, 2001

Dear John

Here is a copy of the letter I sent to CALFED. Thank you very much for the suggested wording. I am a little out of practice with what they are looking for. Also thank you for your presentation to the MAC. The new mayor of Oakley, Tinker Vanek will be installed on January 14, 2002. The property owners may find a more sympathetic ear after that. If we can be of any more help, please let me know.

Marguerite

A handwritten signature in cursive script, appearing to read 'Marguerite', written in dark ink.

DUTCH SLOUGH ACQUISITION AND PLANNING

Agenda Item 6.

October 31, 2002

GEORGE MILLER

7TH DISTRICT, CALIFORNIA

2205 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0507
(202) 225-2095

www.house.gov/georgemiller

DANIEL WEISS
CHIEF OF STAFF

COMMITTEE ON EDUCATION
AND THE WORKFORCE
SENIOR DEMOCRAT

COMMITTEE ON RESOURCES

Exhibit 3: October 31, 2002 Staff Recommendation

Congress of the United States
House of Representatives
Washington, DC 20515-0507

DISTRICT OFFICES:

1333 WILLOW PASS ROAD
SUITE 203
CONCORD, CA 94520
(925) 602-1880

3220 BLUME DRIVE
SUITE 281
RICHMOND, CA 94806
(510) 262-6500

1410 GEORGIA STREET
VALLEJO, CA 94590
(707) 645-1888

TTY (202) 225-1904

October 15, 2002

Paul Morabito, Chairman
California Coastal Conservancy Board of Directors
1330 Broadway, #1100
Oakland, CA 94612

ATTN: Mary Small

Dear Chairman Morabito:

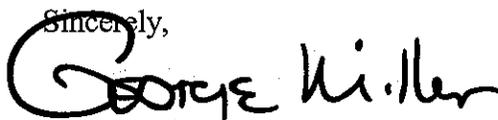
I am writing in strong support of the purchase and restoration of the 1,200 acre Dutch Slough project. The Conservancy's \$5,385,000 grant is critical as a match for the much larger CALFED grant of \$25 million that is under that organization's consideration.

The purchase and restoration of Dutch Slough will provide numerous benefits to the region, the Delta, and the state. The restoration of tidal marsh and a diversity of habitats at Dutch Slough will benefit many species of fish and wildlife that have been targeted by CALFED for ecosystem restoration. This project will also provide public access to the Delta shoreline and its sloughs and offer recreational opportunities that currently do not exist in this part of the Contra Costa shoreline. The Dutch Slough plan calls for the construction of public trails, fishing piers, observation platforms and a public boat launch for non-motorized vehicles. If the project goes not go forward, the site will be developed and access to the Delta will be blocked.

I urge your favorable consideration of this request. The acquisition and restoration of the site is a tremendous opportunity to restore critical wetland habitat and create public access that could be lost if the funding is not approved.

Thank you for your consideration.

Sincerely,


George Miller
Member of Congress

RECEIVED

OCT 17 2002

COASTAL CONSERVANCY
OAKLAND, CALIF.

ELLEN O. TAUSCHER
10TH DISTRICT, CALIFORNIA

COMMITTEE ON
TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON AVIATION
SUBCOMMITTEE ON
HIGHWAYS AND TRANSIT

COMMITTEE ON ARMED SERVICES
SUBCOMMITTEE ON MILITARY PROCUREMENT
SUBCOMMITTEE ON MILITARY PERSONNEL
SPECIAL OVERSIGHT PANEL ON
DEPARTMENT OF ENERGY REORGANIZATION

Exhibit 3: October 31, 2002 Staff Recommendation

Congress of the United States
House of Representatives

Washington, DC 20515-0510

October 21, 2002

1122 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
TELEPHONE (202) 225-1880
FAX (202) 225-5914

1801 N. CALIFORNIA BLVD.
SUITE 103
WALNUT CREEK, CA 94596
TELEPHONE (925) 932-8899
FAX (925) 932-8159

100 CIVIC PLAZA
SUITE 242
DUBLIN, CA 94568
TELEPHONE (925) 829-0813

420 W. 3RD ST.
ANTIOCH, CA 94509
TELEPHONE (925) 757-7187

Web Address: www.house.gov/tauscher

Mr. Paul Morabito
Chairman, Board of Directors
State Coastal Conservancy
1330 Broadway, #1100
Oakland, CA 94612

Dear Chairman Morabito:

I encourage you to support the Coastal Conservancy's grant for the purchase and restoration of the Dutch Slough Tidal Marsh Restoration Project. The Conservancy's \$5,385,000 grant is critical as a match for the CALFED grant of \$25 million that is under consideration. As a community that is in need of improving public services, funding of this truly unique project is essential in order to enhance the quality of life for residents by providing open space and recreational opportunities.

The Dutch Slough Restoration Project provides the unique opportunity to purchase 1,200 acres in the City of Oakley and restore a portion of the valuable Delta wetlands to its natural state. The proposed project includes the building of a community park, four miles of shoreline trails along Delta sloughs, safe fishing access, a canoe and kayak launch, sports fields, picnic grounds, wildlife viewing, and other educational and recreational opportunities centered around this large-scale wetland restoration project. It will also provide open space and public access to the Delta shoreline in a rapidly urbanizing area.

The changes that will benefit the City of Oakley as a result of this project are essential to the vitality of the community. Therefore, we respectfully urge that the Dutch Slough Restoration Project be funded to not only enhance the quality of life for Oakley residents and the neighboring communities, but to protect important Delta resources that will make the East Contra Costa shoreline a better natural resource for everyone to enjoy.

Sincerely,



Ellen O. Tauscher
Member of Congress

RECEIVED

OCT 22 2002

COASTAL CONSERVANCY
OAKLAND, CALIF.