COASTAL CONSERVANCY

Staff Recommendation
June 6, 2024

CHICKEN RANCH BEACH WETLAND ENHANCEMENT: IMPLEMENTATION

Project No. 07-115-03
Project Manager: Michael Bowen

RECOMMENDED ACTION: Authorization to disburse up to $999,335, of which $792,575 are funds received from the US Fish and Wildlife Service, to the Tomales Bay Watershed Council Foundation to implement the Chicken Ranch Beach Wetland Enhancement Project, consisting of restoring approximately one acre of tidal wetlands to enhance water quality and improve wildlife habitat at Chicken Ranch Beach on Tomales Bay, near Inverness, Marin County.

LOCATION: Chicken Ranch Beach County Park, on Tomales Bay, near Inverness, Marin County

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EXHIBITS

Exhibit 1: September 22, 2022 Staff Recommendation

Exhibit 2: Project Design Package

Exhibit 3: Project Location Map

RESOLUTION AND FINDINGS

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes disbursement of up to nine hundred ninety-nine thousand, three hundred thirty-five dollars ($999,335), of which seven hundred ninety two thousand five hundred seventy five dollars ($792,575) are funds received from the US Fish and Wildlife Service, to the Tomales Bay Watershed Council Foundation ("the grantee") to implement the Chicken Ranch Beach Wetland Enhancement Project, consisting of restoring approximately one acre of tidal wetlands to enhance water quality and improve wildlife habitat at Chicken Ranch Beach on Tomales Bay in Marin County.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.

2. Names and qualifications of any contractors to be retained in carrying out the project.
3. Evidence that all permits and approvals required to implement the project have been obtained.

   Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the project and to protect the public interest in the improvements.

Findings:

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

1. The proposed authorization is consistent with Chapter 6 of Division 21 of the Public Resources Code, regarding enhancement of coastal resources.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. The Tomales Bay Watershed Council Foundation is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends that the State Coastal Conservancy authorize disbursement of up to $999,335, of which $792,575 are funds received from the US Fish and Wildlife Service, to the Tomales Bay Watershed Council Foundation ("Council") to implement the Chicken Ranch Beach Wetland Enhancement Project, consisting of restoring approximately one acre of tidal wetlands to enhance water quality and improve wildlife habitat at Chicken Ranch Beach on Tomales Bay in Marin County. Planning for the project was funded by a previous Conservancy grant authorized on September 22, 2022 (Exhibit 1). The project will enhance coastal resources in the Tomales Bay watershed by expanding saltmarsh habitat and reducing high bacterial counts that cause a water quality problem at a popular Marin County ("County") public beach near Inverness.

The goals of the proposed project are to reduce the risk of human exposure to pathogens at Chicken Ranch Beach, improve habitat value for aquatic species, provide opportunities for stormwater filtration, improve site hydrology to alleviate stagnation of seasonal water and improve water quality and improve the recreational experience at Chicken Ranch Beach. The proposed project (Exhibit 2) will restore an approximately one-acre wetland located primarily on a State Lands Commission parcel. It will remediate the water quality issue by redirecting a contaminated drainage channel known as Channel B away from the beach and restoring the former wetland between the upstream end of Channel B and Third Valley Creek, which enters Tomales Bay at Chicken Ranch Beach. Under existing conditions, Channel B intercepts stormwater runoff and shallow groundwater flows and conveys water across Chicken Ranch Beach with water quality conditions that routinely exceed state limits for recreational water

contact. Over the years, Chicken Ranch Beach has experienced bacterial contamination from Channel B, though monitoring and studies have not identified obvious sources of the contamination. On-going water testing indicates bacterial levels consistently exceed the Department of Public Health standards for recreational water contact including swimming, specifically fecal coliform, total coliform, and *E-coli* bacteria. Currently, most of Channel B is fenced off and the reach that crosses the beach includes a sign notifying visitors of possible contamination. However, recreational beach visitors, including small children, ignore signage and fencing, and may enter the channel and be exposed to health risks via contact with the water flowing from Channel B across the beach. Approximately 230 feet of Channel B would be filled and redirected to the restored wetland. The restored wetland would create approximately 0.7 acres of riparian and wetland habitats and would also serve as a treatment/filtration area for the redirected Channel B.

Flows from the restored wetland area are designed to flow into Third Valley Creek upstream of the beach and then to Tomales Bay. The restored wetland will include three shallow pools and adjacent riparian and marsh vegetation that would provide habitat for several special status species identified at the project area, including California red-legged frog, tidewater goby, northwestern pond turtle, California giant salamander, and saltmarsh common yellowthroat.

The project will beneficially reuse excavated sediment from the wetland restoration to raise the existing grade of the upper beach and adjacent dunes and an adjacent private property to provide resilience to ongoing sea-level rise. Local topsoil would be salvaged and placed over the wetland soil material. Excavated material would be buried, using native beach material to restore dune and beach surfaces and topsoil on the adjacent property.

The Council entered into a Memorandum of Understanding (MOU) with Marin County Parks on September 10, 2019 regarding the proposed project. Marin County Parks is acting as the Lead Agency for California Environmental Quality Act (CEQA) purposes. The State Lands Commission is generally supportive of the project and is now processing a lease application for land under their ownership and/or jurisdiction.

Site Description: The project area includes Chicken Ranch Beach (Exhibit 3), a 2.5-acre property located on the shore of Tomales Bay in the community of Inverness, owned and operated by Marin County Parks and the adjoining one-acre property to the west owned by the California State Lands Commission (SLC). The parcels adjacent to the SLC property to the north and west of the project area are privately owned. A drainage ditch referred to as “Channel B” and Third Valley Creek originate on private property and flow through the SLC property and then onto Chicken Ranch Beach. Third Valley Creek ultimately flows into Tomales Bay. Historically, a wetland complex existed on the lands adjacent to Chicken Ranch Beach. These wetlands were altered for various reasons. Filling these wetlands, as well as adjacent land uses, may have contributed to the existing water quality conditions. Chicken Ranch Beach is considered a heavily used county park, providing passive beach recreation since 1971. Marin County Parks acquired its property in 1984.

Grant Applicant Qualifications: The Council is committed to undertaking this project. The Council has been engaged in water quality monitoring and planning for Chicken Ranch Beach and Third Valley Creek since 2003 and has assembled a group of local residents, agency

representatives, and technical specialists who are working together on the project. The Council has an excellent track record in coordinating planning, having overseen the preparation of the Tomales Bay Watershed Stewardship Plan (2003) and the Tomales Bay Integrated Coastal Water Management Plan (2007). For design and implementation, the Council is receiving extensive assistance from their consulting firm, Prunuske-Chatham, Inc., as well as from the County and Marin County Parks.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. **Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the "Consistency with Conservancy's Strategic Plan" section below.

2. **Project is a good investment of state resources.**

See Exhibit 1.

3. **Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.**

See Exhibit 1.

4. **Project benefits will be sustainable or resilient over the project lifespan.**

Although the project site is at an elevation susceptible to sea level rise impacts, the project design will ensure that the tidal marsh will be resilient and provide habitat benefits for decades, even as habitat type shifts from tidal marsh to subtidal habitat. Moreover, the proposed tidal marsh restoration will provide meaningful carbon sequestration benefits over the lifespan of the project. In addition, the project will beneficially reuse sediment excavated during the wetland restoration to enhance the sea level rise resilience of the beach, dunes, and adjacent property. The proposed project will not result in significant impacts on flooding or erosive energy. The project has been designed for resiliency under sea-level rise, which is projected at 1.6 feet over the next 50 years.

5. **Project delivers multiple benefits and significant positive impact.**

See Exhibit 1.

6. **Project planned with meaningful community engagement and broad community support.**

See Exhibit 1.

PROJECT FINANCING

Coastal Conservancy	**$206,760**

U.S. Fish and Wildlife Service (via Conservancy)	$792,575
County of Marin	$80,000
Project Total	**$1,079,335**

Conservancy funding is anticipated to come from a Fiscal Year 2023/24 appropriation from the General Fund to the Conservancy to address "urgent sea-level rise adaptation and coastal resilience needs using nature-based solutions or other strategies" (The Budget Act of 2023, Chapter 38, Statutes of 2023 (AB 102)). The coastal resilience funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which sets forth a detailed description of the purposes of the coastal resilience funds; eligible projects include those that protect coastal watersheds and increase the resilience of coastal ecosystems to climate change impacts. Such projects include coastal resilience projects along the coast, projects that build resilience for coastal communities and public access, and coastal wetlands projects that protect and restore coastal habitat. The proposed project is consistent with this funding source because it will restore and enhance coastal wetlands for fish and wildlife while enhancing the resilience of beaches and dunes to sea level rise.

The additional source of funds for the project is a U.S. Fish and Wildlife Service National Coastal Wetlands Grant for the project. This $812,575 grant was awarded in April 2024. The budget provides for the Conservancy to utilize $20,000 for grant management purposes, with the remaining $792,575 to be passed through to the Council for project implementation.

The County has committed to providing $80,000 towards project construction in addition to staff management and CEQA lead administration requirements.

Unless specifically identified as "Required Match," the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed project will be undertaken pursuant to Chapter 6 of Division 21 of the Public Resources Code (§§ 31251-31270), as described below.

Pursuant to Section 31251, the Conservancy may award grants to non-profit organizations for the purpose of enhancement of coastal resources that have suffered loss of natural values because of human-induced events. Consistent with this section, the recommended authorization is to provide funds to the Council to undertake corrective measures to restore natural values in the project area that have suffered because of the filling of wetlands in the project area and channelization of Third Valley Creek.

Pursuant to Section 31252, all areas proposed for resource enhancement must be identified in a certified local coastal plan or program as requiring public action to resolve existing or potential resource problems. Water quality concerns have long been a high priority for various

agencies to address in Tomales Bay, and concerns about elevated fecal coliform levels at this area have been a specific flashpoint within the County for many years. The proposed project area is identified in the Unit II Local Coastal Plan for Marin County (LCP), which directly addresses this concern.

Pursuant to Section 31253, "[the] Conservancy may provide up to the total of the cost of any coastal resource enhancement project, including the state or local share of federally supported projects" after an assessment of "funding available for coastal resource enhancement projects, the fiscal resources of the applicant, the urgency of the project relative to other eligible coastal resource enhancement projects, and the application of other factors prescribed by the conservancy…." The proposed contribution by the Conservancy was determined based on application of priority criteria, as discussed below, and after considering other available resources and the matching contributions to the project by other funding sources.

CONSISTENCY WITH CONSERVANCY'S 2023-2027 STRATEGIC PLAN:

Consistent with **Goal 3.2, Restore or Enhance Habitats**, the authorization will allow implementation of one project to restore and enhance coastal wetlands in a manner that ensures these habitats can keep pace with future sea level rise.

CEQA COMPLIANCE:

The proposed project is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to 14 CCR section 15333 (Small Habitat Restoration Projects). This section exempts projects less than five acres in size that maintain, restore, enhance, or protect habitat for fish and wildlife. Exempt projects cannot have significant adverse impacts on threatened species or their habitat, must not disturb any hazardous materials on the project site, and cannot result in significant impacts when viewed in connection with the effects of other projects.

Consistent with this section, the proposed project consists of wetland restoration and enhancement to re-establish self-sustaining function to the ecological communities that inhabit project area, including conditions for waterfowl and other species that rely on wetland habitat, and improve public safety by remediating elevated bacterial counts. The proposed project will enhance water quality which will improve habitat for resident and migratory birds and other wildlife and would reduce risk to users from exposure to bacteria-laden water. The total area does not exceed 5-acres in size.

Implementation of the proposed project will not result in significant adverse impacts on endangered, rare, or threatened species or their habitat. To the contrary, the proposed project will improve habitat through revegetation with native plant species. During project implementation, a temporary construction fence and/or wildlife exclusion fencing will be installed around the project area to prevent California red-legged frogs from entering the project area. In preparation for construction, trees and other vegetation may be removed before the nesting bird season; however, some vegetation may be removed when nests may be

present after a qualified biologist surveys the area and clears it for this activity. If a qualified biologist determines that construction activities would likely disrupt breeding or nesting activities, then a no-disturbance buffer should be placed around the nesting location. The no-disturbance buffer should include the active nest or breeding areas plus a 50-foot buffer for small songbirds and a 100-foot buffer for larger birds such as raptors and owls. Construction activities in the no-disturbance buffers would be avoided until the nests have been vacated.

The proposed project will not impact an environmental resource or any designated environmental resource of critical concern.

Marin County Parks, the lead agency for the project, reviewed the project along with its environmental setting and also found it to be categorically exempt from the California Environmental Quality Act under Section 15333.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.