

COASTAL CONSERVANCY

Staff Recommendation

December 11, 2003

SOUTH BAY SALT PONDS: FACILITATION AND PUBLIC OUTREACH

File No. 02-070

Project Manager: Amy Hutzal

RECOMMENDED ACTION: Authorization to enter into an interagency agreement and disburse up to \$400,000 to California State University Sacramento to lead public outreach and stakeholder participation efforts for the South Bay Salt Pond Restoration Project.

LOCATION: San Mateo, Santa Clara, and Alameda Counties (Exhibit 1)

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Map

Exhibit 2: Organizational Structure

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31164 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed four hundred thousand dollars (\$400,000) to California State University Sacramento to lead a collaborative planning process and public outreach efforts for the South Bay Salt Pond Restoration Project.”

Staff further recommends that the Conservancy adopt the following findings:

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

1. The proposed project is consistent with the purposes and criteria set forth in Chapter 4.5 of Division 21 of the California Public Code (Sections 31160-31164) regarding the Conservancy’s mandate to address the resource and recreation goals of the San Francisco Bay Area.
 2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”
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PROJECT SUMMARY:

The proposed authorization would provide up to \$400,000 to enable the Center for Collaborative Policy out of California State University Sacramento (Center) to lead public outreach and stakeholder involvement efforts for the South Bay Salt Pond Restoration Project for the next calendar year. The Center will work closely with the South Bay Salt Pond Project Management Team, composed of the Coastal Conservancy (Conservancy), U.S. Fish and Wildlife Service, and California Department of Fish and Game, on model refinement and model runs.

The South Bay Salt Pond Restoration Project (Project) involves one of the largest wetlands restoration efforts in U.S. history, taking place in one of the most populated regions of California with a variety of interested communities and user groups, non-governmental organizations, academic institutions, and Federal, state, and local governments. The Project includes a very large number of stakeholders, engaged in a variety of advisory and decision-making efforts. Each aspect of the Project will require strategically determined steps to provide opportunities for stakeholder involvement while maintaining the authorities and missions of the Conservancy, U.S. Fish and Wildlife Service (FWS), and the California Department of Fish and Game (DFG).

The Center has recently completed a Stakeholder Assessment and written the *South Bay Salt Pond Restoration Project Stakeholder and Organizational Assessment Findings and Recommendations Report* (Assessment Report). The Stakeholder Assessment consisted of 60-90 minute interviews with nearly 70 individuals who have a stake in the South Bay Salt Pond Restoration project. The Assessment Report includes recommendations for improving the organizational structure and effectively engaging a wide range of stakeholders in project planning and development. Exhibit 2 is a graphical depiction of the organizational structure. The core component of the organizational structure is a Stakeholder Forum. The Project Management Team has selected approximately 25 individuals (through an application process) representing local businesses, community advocacy groups, environmental groups, public access/recreation groups, infrastructure organizations, local elected officials, and public health/public works agencies to make up the Stakeholder Forum. The Stakeholder Forum will meet monthly to quarterly, and form work groups which will be chaired by Stakeholder Forum members and open to the public. The Stakeholder Forum will be the major venue for publicly-derived advice and recommendations to come to the Project Management Team. Scientists from the project's Science Team and Regulatory Agency staff will assist the Project Management Team with providing information to the Stakeholder Forum, so that recommendations are grounded in regulatory reality and technical truth.

The Center is exceptionally qualified to facilitate the Stakeholder Forum and assist with other portions of the Organizational Structure. The Center is a joint program of California State University, Sacramento and the McGeorge School of Law, University of the Pacific. The mission of the Center is to build the capacity of public agencies, stakeholder groups, and the public to use collaborative strategies to improve policy outcomes. The Center works to:

- Enhance the existing capacity of governing institutions to use collaborative methods (governance capacity);
- Enhance the existing capacity of communities and the public to collaboratively engage with governing structures and public policy decision-making (civic engagement capacity);
- Create and share knowledge about collaborative public policy development and capacity building (knowledge capacity); and
- Enhance the collaborative policy and civic engagement network across the state (statewide capacity).

In accordance with the Assessment Report and subsequent direction from the Project Management Team, the Center will provide collaborative planning and public outreach support to the project. Services will include:

- Organizational Development for the Project Management Team and the newly formed Stakeholder Forum and Work Groups.
- Collaborative Training for participants on the Project Management Team, Regulatory Agency Group, Stakeholder Forum, and Work Groups.
- Facilitation services primarily for the Stakeholder Forum and Work Groups. Facilitation services include helping identify objectives for each meeting, establishing agendas, organizing presentations and speakers on topics identified by group members or the Project Management Team, facilitating meetings, identifying issues needing further consideration, and similar services.
- Organizational Support, Strategic Consultation, Mediation, and Recording of Meetings.
- Public Outreach, including:
 - Coordinate and Manage Media Strategy Issues.
 - Produce, Distribute and Update Public Outreach Materials.
 - Coordinate and Manage Public Outreach Events and/or Workshops.

Project History: The entire South Bay salt pond complex is spread over an area of approximately 26,000 acres. In October 2000, Cargill Salt proposed to consolidate its operations and sell lands and salt production rights on 61 percent of its South Bay operation area (15,100 acres). Negotiations headed by Senator Dianne Feinstein led to the signing of a framework agreement setting forth the understanding of the parties for public acquisition of these South Bay salt ponds, along with 1,400 acres of crystallizer ponds along the Napa River. The framework agreement was signed in May 2002 by the California Resources Agency, Wildlife Conservation Board (WCB), DFG, Conservancy, FWS, Cargill, and Senator Dianne Feinstein. A Conveyance Agreement was signed in February 2003 and escrow closed in March 2003. The purchase price was \$100 million, with \$72 million from the WCB, \$8 million from FWS, and \$20 million from the Goldman Fund, Hewlett Foundation, Moore Foundation, and Packard Foundation. FWS and DFG took ownership of the properties at closing, but Cargill is managing the properties while conducting a phase-out of salt-making operations. FWS and DFG, with Cargill's technical assistance, are currently planning and preparing for the interim stewardship of the salt ponds (maintenance of levees and management of water), to begin upon completion of phase-out by Cargill.

During the interim stewardship period, the Conservancy will lead a planning and public information effort with DFG and FWS to develop a widely supported, scientifically sound restoration, flood management, and public access plan that can begin to be implemented by year 5. To help structure the South Bay Salt Ponds long-term restoration planning, the Management Team (Conservancy, FWS, and DFG) completed an assessment to elicit the interested community's issues and concerns regarding the restoration planning process. The assessment was conducted by a neutral professional organization, the Center for Collaborative Policy, a joint program of California State University Sacramento and the McGeorge School of Law. The Center, under an interagency agreement with the Conservancy, began the Stakeholder Assessment in spring 2003, just after the acquisition of the South Bay Salt ponds had closed escrow. Throughout June and July 2003, a team of facilitators from the Center interviewed a set of representative stakeholders.

The Center has recently completed the Assessment and produced the *South Bay Salt Pond Restoration Project Stakeholder and Organizational Assessment Findings and Recommendations Re-*

port (Assessment Report). The Assessment Report provides recommendations for improving the organizational structure, as well as findings about stakeholder concerns and issues. The Assessment Report is available at http://www.southbayrestoration.org/Stakeholder_Assessment.html. This authorization would provide for the first year of implementation of a collaborative planning process and public outreach effort, as recommended in the Assessment Report.

PROJECT FINANCING:

Coastal Conservancy	\$400,000
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It is anticipated that the Conservancy’s funding will come from funding provided to the Conservancy from the Wildlife Conservation Board from the “Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002” (Proposition 50), which can be used for coastal watershed protection pursuant to Division 21. Pursuant to Section 31162(b) of Chapter 4.5 of Division 21, this project furthers the San Francisco Bay Area Conservancy Program’s goal to protect, restore, and enhance natural habitats. The South Bay Salt Ponds are identified for acquisition, protection, and restoration in the *San Francisco Baylands Ecosystem Habitat Goals Report* (1999), a local plan recognized in Proposition 50 as appropriate for selection of restoration projects in San Francisco Bay. The project is also consistent with the San Francisco Bay Regional Water Quality Control Board’s goal to protect beneficial resources, as described in the Water Quality Control Plan for the San Francisco Bay Basin (1995).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This proposed project is consistent with the Conservancy’s San Francisco Bay Area Conservancy Program enabling legislation codified at Chapter 4.5 of Division 21 of the Public Resources Code (Sections 31160-31164). That chapter directs the Conservancy to address the resource and recreational goals of the Bay Area in a “coordinated, comprehensive, and effective way.”

Pursuant to §31162, the Conservancy may undertake projects and award grants in the nine-county San Francisco Bay area that will help to achieve specified program goals. Section 31162(b) describes one of these goals: “to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional importance.” The proposed project will directly assist the Conservancy and its partners to implement the South Bay Salt Pond Restoration Project, which will impact the entire San Francisco estuary.

Section 31163(c) directs the Conservancy to participate in and support interagency actions and public/private partnerships in the San Francisco Bay Area for the purpose of implementing the identification and adoption of long-term resource and outdoor recreational goals for the San Francisco Bay Area. The proposed authorization is consistent with that authority and will help to achieve its purpose with regard to a significant portion of San Francisco Bay.

The proposed project satisfies the criteria for determining project priorities under §31163(d) in the following respects: 1) The South Bay Salt Pond Restoration Project is multijurisdictional, spanning three counties and multiple cities; 2) It serves a regional constituency via increased effectiveness in preserving and restoring the San Francisco Bay’s wetlands, which are resources of state-wide value; 3) The project can be implemented in a timely way since the Stakeholder Assessment has already been conducted and the staff to conduct this work are already in place; and 4) It provides an opportunity for benefits that could be lost since the South Bay Salt Pond Restoration project is entering the long-term planning phase in the immediate future.

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

Consistent with **Goal 10 Objective B** of the Conservancy's Strategic Plan, the proposed project would help the Conservancy develop plans for approximately 15,000 acres of wetlands in the Bay.

**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

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 application of a collaborative planning process to the South Bay Salt Pond Restoration Project is supported by the U.S. Fish and Wildlife Service, California Department of Fish and Game, the Hewlett, Packard, and Moore Foundations, environmental groups in the Bay Area, such as Save The Bay, San Francisco Bay Joint Venture, National Audubon Society, the state and federal elected officials who supported the acquisition, and many other agencies, organizations, and individuals who are deeply interested in positive outcomes for the South Bay Salt Pond Restoration Project.
4. **Location:** The proposed project is within the nine-county San Francisco Bay Area, in San Mateo, Santa Clara, and Alameda Counties.
5. **Need:** Collaborative planning and public outreach are essential to a positive and meaningful planning process for the South Bay Salt Pond Restoration Project.
6. **Greater-than-local interest:** The San Francisco Bay is a resource of national significance. The South Bay Salt Pond Restoration Project is the largest wetlands restoration project on the west coast of the United States. The development of a restoration, flood management, and public access plan for the South Bay Salt Ponds will be of interest nationally and could serve as an example for other large-scale restoration projects.

Additional Criteria

7. **Urgency:** The South Bay Salt Pond Restoration Project has a five-year timeline to complete the restoration planning. Stakeholder involvement and outreach will be essential to resolving issues and generating support for the project. Services from the Center for Collaborative Policy will assist the Project Management Team in the public process that will begin in earnest in 2004.
9. **Leverage:** See the "Project Financing" section above.
10. **Conflict resolution:** Conflict resolution and collaborative planning are the subject of this authorization. Decisions that are reached collaboratively can result in high-quality outcomes

that are easier to implement, receive fewer legal challenges, make better use of available resources, and better serve the public.

11. **Innovation:** Collaborative planning is an innovative process whereby public agencies craft a solution to an issue using consensus-driven dialogue with diverse parties who will be affected by the solution or who can help to implement it.
12. **Readiness:** The Center has completed the Stakeholder Assessment and is ready to implement the collaborative planning process. The Center's staff is ready to work on this project.
13. **Realization of prior Conservancy goals:** See the "Project History" section above.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The South Bay salt ponds are within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). The proposed project is considered project planning and exempt from permit requirements.

The project is consistent with the following policies of BCDC's San Francisco Bay Plan and adds to the science needed to implement Bay Plan recommendations:

Part III: The Bay as a Resource

Marshes and Mudflats

To offset possible additional losses of marshes due to necessary filling and to augment the present marshes: (a) former marshes should be restored when possible through removal of existing dikes; (b) in areas selected on the basis of competent ecological study, some new marshes should be created through carefully placed lifts of dredged spoils; and (c) the quality of existing marshes should be improved by appropriate measures whenever possible.

Part IV: Development of the Bay and Shoreline

Salt Ponds and Other Managed Wetlands Around the Bay

As long as is economically feasible, the salt ponds should be maintained in salt production and the wetlands should be maintained in their present use. Property tax policy should assure that rising property taxes do not force conversion of the ponds and other wetlands to urban development. In addition, the integrity of the salt production system should be respected (*i.e.*, public agencies should not take for other projects any pond or portion of a pond that is a vital part of the production system).

If, despite these provisions, the owner of the salt ponds or the owner of any managed wetland desires to withdraw any of the ponds or marshes from their present uses, the public should make every effort to buy these lands, breach the existing dikes, and reopen these areas to the Bay. This type of purchase should have a high priority for any public funds available, because opening ponds and managed wetlands to the Bay represents man's last substantial opportunity to enlarge the Bay rather than shrink it. (In some cases, if salt ponds are opened to the Bay, new dikes will have to be built on the landward side of the ponds to provide the flood control protection now being provided by the salt pond dikes.)

COMPLIANCE WITH CEQA:

This project is statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Cal. Code of Regulations Section 15262 because it involves only feasibility and planning studies for possible future actions and will not have a legally binding effect on later activities.