

COASTAL CONSERVANCY

Staff Recommendation
June 30, 2004

WILLOW CREEK ACQUISITION

File No. 04-040
Project Manager: Richard Retecki/Carol Arnold

RECOMMENDED ACTION: Authorization to disburse up to \$4,187,000 to the State Department of Parks and Recreation for the acquisition of the Willow Creek property in the Russian River watershed.

LOCATION: Western Sonoma County east of Sonoma Coast State Beach and south of the Russian River between the towns of Jenner and Occidental.

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

- Exhibit 1: Project Location
 - Exhibit 2: Site Location map
 - Exhibit 3: Species List
 - Exhibit 4: Access Map
 - Exhibit 5: Letters of Support
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RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31000 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed four million one hundred eighty-seven thousand dollars (\$4,187,000) to the State Department of Parks and Recreation for the purpose of acquiring Sonoma County Assessor Parcel Nos. 073-300-001, 074-190-001, 097-130-013, 097-170-002, 097-170-005, 097-180-001, 097-190-003, 097-190-004, 097-200-001, 097-200-002, and 097-210-007, consisting of 3,373 acres (known as the Willow Creek Property), in the southern Russian River watershed, subject to the following conditions:

1. Prior to the disbursement of any funds for the acquisition, the State Department of Parks and Recreation shall submit for the review and approval by the Executive Officer all

relevant acquisition documents, including, without limitation, the appraisal, purchase agreement, escrow instructions and title documents.

2. The State Department of Parks and Recreation shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
3. The State Department of Parks and Recreation shall provide evidence that sufficient funds are available to complete the acquisition.
4. The State Department of Parks and Recreation shall permanently dedicate the property for habitat preservation and public access in a manner acceptable to the Executive Officer.”

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 Chapter 6 of Division 21 of the California Public Resources Code (Sections 31251-31270) regarding enhancement of coastal resources.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.
3. The project site has been identified in the Sonoma County Local Coastal Plan as an environmentally sensitive area requiring public action to resolve existing or potential resource protection problems.”

PROJECT SUMMARY:

The proposed project will result in the State Department of Parks and Recreation (“DPR”) acquiring in fee 3,373 acres of forested land, known as the Willow Creek property, for the purpose of protecting and enhancing sensitive habitats and providing public access in the southern Russian River watershed (Exhibit 1, Location and Site Map). The property will be included in the Sonoma State Beach park unit. In addition, the Sonoma County Agricultural Preservation and Open Space District (“District”) is acquiring conservation easements over two adjoining parcels totaling 515 acres. The District is also providing \$225,000 to purchase the timber harvest rights on the fee parcels, as well as \$300,000 to be used for capital development projects and maintenance on the property.

This project represents a high priority for the Conservancy. Planning for the project dates back to 1987 when the Conservancy produced the Sonoma County Coastal Wetland Enhancement Plan, which described the importance of Willow and Freezeout Creeks - both of which are located on the Property and drain into the Russian River. Then, in 1996, the Conservancy funded the Sonoma County Coastal Parcel Study which identified priorities for acquisition within a study area consisting of 60 square miles south of the Russian River including the coastal zone. More recently, the West County/Coastal Collaborative Acquisition Working Group, representing all interested parties including the Conservancy has been meeting to identify further

acquisition priorities in the southwestern and coastal areas of the county. The Working Group identified the acquisition and protection of the Willow Creek Property as one of the most important conservation goals in the region.

The property adjoins Sonoma State Beach, which is the fourth most visited park within the State Park system. Other public lands also border the property, providing a protected conservation area of over 13,500 acres. Approximately three miles of fish-bearing creeks would be preserved, providing habitat for several endangered fish species. Extensive redwood/Douglas fir forest cover the property, offering habitat for the northern spotted owl, as well as osprey, river otter, bobcat and mountain lion among many other animal species (Exhibit 2, Species List). Several nonprofit organizations plan creek restoration efforts. In addition to habitat protection and restoration, the property will provide many miles of a loop trail that will connect with the coastal trail along Sonoma State Beach, and other trails in the area, offering expansive views of the Pacific and the Russian River. All trails on the property will be routed by DPR to avoid impact to rare or endangered plants or animals (Exhibit 3, Access Map).

Site Description: The Sonoma coast between the Russian River and the Marin County border is an area of spectacular beauty, diversity and abundant natural resources. North of Bodega Bay broad coastal terraces border the ocean, covered with windswept grasses. These give way to brushy slopes intersected by rugged drainages and ravines. Further from the ocean, stands of redwoods and fir dot the ridges.

The Willow Creek property is located within this region approximately two miles from the ocean. A portion of the northwest boundary of the property parallels the Russian River. The terrain is very diverse. Running east-west through the middle of the property is a broad partially-open ridge with expansive views south across Willow Creek canyon to Point Reyes and north to the Russian River valley. North of the ridge the terrain is highly dissected by tributaries of Freezeout Creek, which forms a steep canyon. Directly south of the ridge are various open benches, many with willow seeps and springs. As one moves further south, the benches give way to the steep wooded slopes of Willow Creek canyon. Forested lands consist largely of redwood, including a small stand of old growth, as well as Douglas fir and mixed hardwood. The Mendocino Redwood Company owns the property and has logged it in the past.

The western portion of Willow Creek forms a narrow floodplain with several open fields surrounded by tall second-growth redwood. As one travels east up Willow Creek, the floodplain is replaced by a deeply cut gorge with dense conifer forest and occasional rock-exposed canyon walls. In this section, and in portions of the main stem of Freezeout Creek, are numerous waterfalls. High above Willow Creek to the south are steep slopes and perched wooded-benches, interspersed with numerous drainages. An occasional open bench provides views north of the central ridge, and south down Willow Creek Canyon to the ocean.

Willow Creek and Freezeout Creek are major tributaries to the lower Russian River. Willow Creek drains 8.7 square miles, while Freezeout Creek drains 2.9 square miles. Elevations of Willow Creek range from the highest point of 1,292 feet at the central ridge to 90 feet where Willow Creek flows out of the property. Elevations of Freezeout Creek range from approximately 1,320 feet in the headwater area to 40 feet at the mouth. The Willow Creek and Freezeout Creek watersheds receive an annual precipitation of between 50-55 inches.

Close to thirty threatened, endangered or species of special concern occur in the Willow Creek and Freezeout Creek watersheds (Exhibit 2, Species List). Listed fish species are Coho salmon, steelhead trout, prickly sculpin, coastrange sculpin and three-spine stickleback.

Biologists consider the Willow Creek watershed to be an excellent spawning and nursery area for salmon and trout. Willow Creek comprises approximately 3 miles of fish-bearing stream on the property. Freezeout Creek comprises a stretch of fish-bearing stream on one of its first tributaries; however, an upstream steep grade on the main stem currently poses difficulty for anadromous fish to swim through to upstream stretches. The mainstem and major tributaries of Willow Creek and Freezeout Creek provide the primary portion of coho and steelhead spawning and rearing.

The property supports the highest density of northern spotted owls, a federally-listed threatened species and a California species of special concern, in the Sonoma, Mendocino, Humboldt and Marin County region. Ninety percent of the property is considered foraging habitat and 49% of the site is considered nesting habitat for the northern spotted owl. Nesting habitat characteristics will increase as the trees on the property continue to grow and develop into an uneven-aged forest.

The osprey is a California species of special concern that nests near bodies of water and feeds almost entirely on fish. Osprey nests have been documented in the northern part of the property. The property has suitable habitat for the following listed or special concern species: marbled murrelet, sharp-shinned hawk, Cooper's hawk, pallid bat, red tree vole, northwestern pond turtle, Myrtles silverspot and California freshwater shrimp.

The property is a bird-watcher's paradise. Over 100 bird species have been documented in the Willow Creek watershed. Red-tailed and red-shouldered hawks are commonly sighted. Other raptors that have been noted include golden, ferruginous hawk, rough-legged hawk, American kestrel, merlin, white-tailed), northern pygmy owl, long-eared owl, western screech owl, great horned owl, barn owl, and turkey vulture. A number of sensitive plant species occur on the property.

Project History: This project has a long history with the Conservancy. In March 1987 the Conservancy funded the Sonoma County Coastal Wetlands Enhancement Plan. That plan identified the Willow Creek watershed as an important part of the region's wetland system due to the fact that the watershed terminates at a freshwater marsh and riparian thicket on the south side of the Russian River. This portion of the watershed is currently under DPR ownership, managed as part of Sonoma Coast State Beaches Park.

In May 1996 the Conservancy funded the Sonoma County Coastal Parcel Study, conducted by the Sonoma Land Trust. The study highlighted fee acquisition and easement opportunities, trail and public access potential, and conservation of unique natural features. It also evaluated landowner willingness to sell. Although the study identified the Willow Creek property as a very significant opportunity for resource protection and public access, the owner of the Willow Creek property was not willing to sell at that time.

In more recent years, Conservancy staff have been meeting with the West County Coastal Collaboration Acquisition Working Group which represents interested agencies, environmental

groups and legislators. This Working Group identified the Willow Creek Property as one of the highest priorities for acquisition in the region. The Mendocino Redwood Company, which currently owns the property, is now willing to sell a good portion of its holdings to DPR and the District. After long negotiations, the Trust for Public Land and the District negotiated the acquisition, with the landowner agreeing to sell in fee the 3,373 acres and conservation easements over 515 acres for a total price of \$20,560,000. The fee parcel will be acquired by DPR; the District will acquire the conservation easements.

Other recent acquisitions in the region that were funded in part by the Conservancy are the Red Hill Property, the Colliss Conservation Easement, and the Estero Americano acquisitions.

PROJECT FINANCING:

Fee Acquisition:

Coastal Conservancy	\$4,187,000
Department of Parks and Recreation	\$2,187,000
Wildlife Conservation Board	\$4,186,000
Sonoma County Agricultural Preservation & Open Space District	<u>\$7,565,000</u>
	\$18,125,000

Easement:

Sonoma County Agricultural Preservation & Open Space District	<u>\$2,435,000</u>
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TOTAL PROJECT COSTS: \$20,560,000

The expected source of Conservancy funds for this project is an appropriation to the Conservancy from the California Clean Water, Clean Air, Safe Neighborhoods, Parks and Coastal Protection Act of 2002 (Proposition 40). Allowed uses of these bond funds include acquisition, restoration and protection of land and water resources in accordance with Conservancy enabling legislation. Consistent with provisions of the bond act, the acquisition is from a willing seller and matching funds have been committed by the grantee and others.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation (Public Resources Code Sections 31251-31270).

Under Section 31251, the Conservancy may award grants to nonprofit agencies to enhance coastal resources. The property will enhance the natural and scenic character of the Russian River watershed by protecting a large expanse of riparian and upland habitat. Its acquisition

would implement recommendations of the Conservancy's Sonoma County Coastal Wetland Enhancement Plan, consistent with Section 31260. Conservancy funds are being combined with those of other agencies to purchase and protect the Willow Creek watershed, a valuable coastal resource enhancement area.

Consistent with Section 31251.2, the Conservancy may award a grant to enhance a watershed resource that is partly outside of the coastal zone. Since it is a coastal watershed, acquisition and protection of the Willow Creek property will benefit coastal resources throughout the Willow Creek watershed. The Willow Creek watershed was a primary focus of the Conservancy's 1987 Sonoma county Coastal Wetland Enhancement Plan. The plan recommended enhancement measures to mitigate accelerated erosion in the watershed and flooding. Also, protection for the freshwater marsh and the creek riparian corridor were proposed.

Consistent with Section 31252, the certified Sonoma County Local Coastal Program calls for public action to resolve existing or potential resource protection problems in riparian areas like the Willow Creek watershed, as described in the "Consistency with Local Coastal Program Policies" sections below.

Under Section 31253, the Conservancy may provide up to the total cost of any coastal resource enhancement project. Consistent with Section 31253, the level of Conservancy funding for this project has been determined through consideration of the total amount of funding available for coastal resource enhancement projects and the relative urgency of the project.

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

Consistent with **Goal 2 Objective A** of the Conservancy's Strategic Plan, the proposed project will result in the protection of open space and views, and has the potential to expand Sonoma State Beach Park and open many miles of trail that will connect with other trails in the region, including the Coastal Trail.

Consistent with **Goal 4 Objective A**, the proposed project will result in the acquisition of a significant coastal resource property to connect with existing public lands to provide a larger contiguous block of habitat, and will support a regionally based conservation plan for western Sonoma County as described in the Sonoma County Coastal Parcel Study.

Consistent with **Goal 5 Objectives A and B**, the proposed project will result in the preservation of 3,888 acres of riparian, redwood and Douglas fir forests south of the Russian River and will provide habitat corridors between inland areas and the coast.

Consistent with **Goal 10 Objective A**, the proposed project will result in the protection of 80% of the Willow Creek watershed, as well as three miles of riparian habitat.

**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 acquisition of the Willow Creek Property has widespread support, including that of Senator Wesley Chesbro, Assemblywoman Patty Berg, the Sonoma County Agricultural Preservation and Open Space District, the State Department of Parks and Recreation, the Trust for Public Land, the Stewards of the Coast and Redwoods, OceanSong, Sonoma Coast State Beach Citizen's Advisory Committee, Coastwalk, the Salmon Creek Watershed Council, LandPaths and the Madron Audubon Society
4. **Location:** Approximately 80% of the proposed project is located within the coastal zone of Sonoma County. The remainder is adjacent to the coastal zone property, and is part of a coastal watershed.
5. **Need:** The Trust for Public Land has assembled a funding package that includes the District, Wildlife Conservation Board, DPR, and the Conservancy. Without the Conservancy's funds, there would be insufficient resources to purchase the property.
6. **Greater-than-local interest:** The Willow Creek property would be part of a larger area of over 13,500 acres of protected lands. It will become part of the Sonoma Coast State Beach park unit, the fourth most visited state park in the system.

Additional Criteria

7. **Urgency:** If the property to be acquired in fee is not purchased, it would continue to be logged, and could at some point be developed in the future.
8. **Resolution of more than one issue:** The project would resolve issues relating to habitat protection and enhancement, public access, and commercial use. Logging will not be permitted on the 3,373 acres to be purchased in fee, but will continue on the 515 acres that are the subject of the conservation easements. Logging would be undertaken according to specifications set out in the easements, and in approved timber harvest plans.
9. **Leverage:** See the "Project Financing" section above.
10. **Conflict resolution:** The project resolves conflicts between commercial use and resource protection by eliminating continued timber harvest on 3,373 acres.
11. **Readiness:** The landowner is currently willing to sell and a funding package is in place. The Trust for Public Land holds an option on the property which will be exercised once all funding is approved.

13. **Realization of prior Conservancy goals:** See “Project History” above.

14. **Cooperation:** The project involves a cooperative effort between TPL, the District, DPR, Wildlife Conservation Board, and the Conservancy, as well as many local organizations, agencies and legislators.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The proposed project is consistent with the Sonoma County Local Coastal Plan (“LCP”), which includes policies to protect environmentally sensitive habitat areas. Specific policies are referenced in the LCP regarding riparian areas, grasslands, coastal woodland, rare or endangered plants and animals, including osprey, spotted owls and anadromous fish, all of which occur on the Willow Creek Property (Chapter III, Environmental Resources Management Recommendations: Riparian policies: 9, 10,11, & 14; Grassland policy: 48; Coastal Woodland policies: 52 &53; Rare and Endangered Species policies: 58, 59, 60-64, 67, and 68-71).

Environmental Resources Management Recommendations in the LCP restrict development within and require protection of riparian corridors, encourage agricultural management practices that minimize soil erosion in grasslands, and require minimal disruption of vegetation in coastal woodlands, protection of rare or endangered animals and plants, limitations on recreational activities near osprey nests, minimization of impacts of development near identified spotted owl nest and breeding sites, and maintenance of flows at required levels and prohibition of dams or other structures in anadromous fish streams. Acquisition of the Property will result in the implementation of all these LCP policies.

The Willow Creek watershed is the closest major watershed to the coast in the Russian River drainage system. The watershed is influenced by the coastal climate and weather dynamics. These dynamics in turn impact coastal resources. Sediment leaving the watershed and entering the ocean directly effects the creation of beaches and dunes to the south along the coast. Activities within the watershed that may produce negative impacts, such as road building and maintenance, logging, removal of riparian vegetation, and agricultural operations, have profound impacts on the watershed and its flora and fauna found within the coastal zone. Whether those activities take place within the coastal portion of the watershed or the portion outside its boundary, they will directly result in the degradation of coastal resources. Implementation measures related to the LCP policies would reduce sedimentation in the stream corridor, protect and enhance the riparian corridor, reduce flooding in the valley floor and wetland, establish management techniques for the coastal prairie environment, and further protect the habitats of rare and endangered species.

COMPLIANCE WITH CEQA: Acquisition of the 3,373 acre Willow Creek Property is categorically exempt from the California Environmental Quality Act (CEQA) in that it involves the acquisition of land for open space and wildlife habitat purposes (14 Cal. Code of Regulations Section 15325), and for the purpose of creating parks, where the land is in a natural condition and a management plan for the park has not yet been prepared (14 CCR Section 15316). Staff will file a CEQA Notice of Exemption upon Conservancy approval of the project.

Letters of Support

Exhibit 5

