RECOMMENDED ACTION: Authorization to: 1) accept $989,477 from the National Oceanic and Atmospheric Administration of the United States Department of Commerce (NOAA) for the acquisition of historic tidelands and watershed lands draining to the San Pablo Bay; 2) disburse up to $500,000 available under the NOAA grant to the Sonoma Land Trust (SLT) to acquire the 1,679-acre North Point Joint Venture property in Sonoma County for wetland restoration, open space preservation, and public access; and 3) disburse up to $25,000 of Conservancy funds to SLT, for acquisition related expenses.

LOCATION: Bordering the San Pablo Bay in the far north of the San Francisco Bay in the unincorporated Sonoma County.

PROGRAM CATEGORY: San Francisco Bay Conservancy

EXHIBITS
Exhibit 1: Project Location Map
Exhibit 2: Site Map
Exhibit 3: Site with Surrounding Protected Sonoma Baylands Map
Exhibit 4: Photographs
Exhibit 5: Letters of Support

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 following: 1) acceptance of nine hundred eighty-nine thousand four hundred seventy-seven dollars ($989,477) from the National Oceanic Atmospheric Administration (NOAA); 2) disbursement of an amount not to exceed five hundred thousand dollars ($500,000) of the NOAA grant to the Sonoma Land Trust (SLT) to acquire the 1,679-acre North Point Joint Venture property in Sonoma county, Assessor Parcel Numbers 068-150-011, -012, -014, -025, -031, -033, -034, -035, -036, -037, -038, and 068-140-007, -008, -018, and 068-160-006, as shown in Exhibit 2 to the accompanying staff recommendation; and 3)
disbursement of twenty-five thousand dollars ($25,000) of Conservancy funds to SLT for pre-acquisition coordination and related expenses. This authorization is subject to the following conditions:

1. Prior to the disbursement of funds for acquisition, the SLT shall submit for the review and approval of the Executive Officer of the Conservancy:
   All relevant acquisition documents, including but not limited to the appraisal, environmental assessments, agreement of purchase and sale, escrow instructions, title reports, and documents of title necessary to the acquisition of the North Point Joint Venture property.

2. The SLT shall pay no more than fair market value for the North Point Joint Venture property as established in an appraisal that has been approved by the State Department of General Services.

3. The SLT shall acknowledge Conservancy and NOAA funding by erecting and maintaining on the North Point Joint Venture property a sign that has been reviewed and approved by the Executive Officer.

4. The SLT shall permanently restrict the property to wetland restoration, open space preservation, and public access uses pursuant to Public Resources Code Section 31116(b).”

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 the purposes and objectives of the San Francisco Bay Area Conservancy Program, Chapter 4.5 of Division 21 of the Public Resources Code 31160-31164, and with the authority of the Conservancy under Section 31104 to accept federal grants.

2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.

3. The SLT is a nonprofit organization existing under provisions of U.S. Internal Revenue Code Section 501(c)(3) whose purposes are consistent with Division 21 of the Public Resources Code.”

PROJECT SUMMARY:
Staff requests authorization to accept a grant in the amount of $989,477 from the NOAA Coastal and Estuarine Land Conservation Program for the acquisition of one or more historic tidelands and watershed lands draining to the San Pablo Bay. The first request for expending a portion of this NOAA award is to disburse up to $500,000 to the Sonoma Land Trust to acquire the 1,679-acre North Point Joint Venture (NPJV) property in Sonoma County for wetland restoration, open
space preservation, and public access. Disbursement of the remaining grant for other acquisitions will be the subject of future staff recommendations. Staff also requests authorization to disburse an additional amount of up to $25,000 of Conservancy funds to the SLT for coordinating support and funding for this important acquisition, and for other pre-acquisition related expenses.

The NPJV property is located at the far northern end of the San Pablo Bay. It is part of the Sonoma Baylands, an area comprised of the historic baylands lying between the Petaluma River and Tolay Creek where Sonoma County meets the Bay. This acquisition represents the last piece of open space to come under protection, filling in to connect 21,000 acres of Sonoma Baylands (See Exhibits 2 & 3, Site Map and Site with Surrounding Sonoma Baylands Map). High quality seasonal wetlands and vernal pools occur on the property. The site is also home to endangered animal species (See Site Description, below) and rare native plant species. When fully restored to tidal and seasonal wetlands, the habitat value of NPJV will significantly increase as habitat for sensitive and endangered plant and animal species, and as a rare property that provides connectivity of marsh to upland refugia, potentially enabling wildlife to move throughout the ecosystem. Its potential for restoration, connectivity of wetland and upland habitats, and connection to other protected properties and key conservation areas will contribute enormously to the health of the Bay ecosystem.

Acquisition will also provide significant recreational opportunities. The NPJV property includes areas proposed for a portion of the San Francisco Bay Trail. The completion of the Bay Trail is one of the highest priorities for the Conservancy. This property, and the adjacent 650-acre Dickson Ranch that the SLT will purchase concurrently with the proposed NPJV, will provide the opportunity for construction of approximately 8,000 linear feet of Bay Trail.

The acquisition is urgent because NPJV is under threat of development in the rapidly growing Sonoma County. Zoning on the property would allow for the development of 22 homes and vineyards if this property were placed on the open market. Moreover, last year NPJV was proposed as the site for a major casino resort. SLT led the effort, working with many partners, to block the proposal and acquire the proposed NPJV property and adjacent Dickson Ranch.

SLT will hold the property for approximately five years while it conducts planning, restoration work, and trail construction. SLT has an excellent track record for successfully completing acquisition and restoration of Sonoma Baylands. Funded by the Conservancy, SLT acquired and recently completed successful enhancement of seasonal wetlands on the adjacent North Parcel Leonard Ranch property. Once restoration and trail construction are completed on the NPJV property, SLT will transfer it to the State Department of Fish and Game (DFG) which will own and manage the property for the long-term (See letter from DFG in Exhibit 5, Letters of Support).

**Site Description:**

The NPJV property consists of fifteen parcels totaling 1,679 acres. The lower two-thirds of NPJV were once part of an extensive mosaic of tidal and seasonal marshes, but are used today for oat hay production. The remaining northern one-third consists of uplands with fairly steep slopes at the very northern end of this portion of the property. This northern section is currently used for cattle grazing.
Because of drastic reductions in Bay area wetlands and associated upland habitats, populations of many of the plants and animals that rely on these habitats have declined and some are threatened with extinction. Among the special status species found on the NPJV property are the endangered Callippe silverspot butterfly, burrowing owl, and California red-legged frog. Immediately adjacent to the property is home to the California clapper rail and salt marsh harvest mouse. On site rare vernal pools exist north of Highway 37 and seasonal wetlands are south of the highway. The habitat value of NPJV is additionally significant because it provides connectivity of mudflat to marsh to upland refugia to potentially enable wildlife to move throughout the ecosystem to find favorable conditions, enhancing their survival.

Acquisition of NPJV will ensure long-term connectivity to over 21,000 acres of key conservation areas that are or will be protected, thus contributing enormously to the health of the Bay ecosystem. While NPJV’s southern boundary stretches for nearly a mile along the San Pablo Bay National Wildlife Refuge, collectively the protected lands adjacent to and stretching east and west of NPJV, straddle approximately seven miles of continuous shoreline. (These existing conservation properties include Dickson Ranch, DFG’s Petaluma River marsh and Napa-Sonoma Wildlife Areas, the U.S. Fish and Wildlife Service’s San Pablo Bay National Wildlife Refuge, the Tolay Creek and Lower Tubbs Island restoration projects, the Conservancy’s Sonoma Baylands restoration project, and SLT’s Leonard Ranch/North Parcel seasonal wetland enhancement project.) Most recently, in October 2004, SLT acquired the adjoining 650-acre Dickson Ranch. Another adjacent 321-acre property will be donated to SLT. (See Exhibit 3, Site with Surrounding Protected Sonoma Baylands Map).

**Project History:**

The effort to acquire threatened Sonoma bayland properties for permanent preservation and restoration is one of the highest priorities for the San Francisco Bay Conservancy Program. This project is one of the last remaining large-scale acquisition and restoration opportunities within the Sonoma baylands. The threat of losing the opportunity to include the 1,679-acre NPJV bayland property for permanent protection was dramatically framed in spring of 2003 when the Federated Indians of Graton Rancheria proposed it as the site for the development of a major casino resort. Fortunately, the proposal was blocked and SLT, working with many partners, stepped forward to begin work on permanent preservation and restoration of this and adjacent properties. The Bay Institute, working with SLT and other bay advocates, persuaded the Graton Rancheria to donate its option on the property to SLT. On August 13, 2004 the Wildlife Conservation Board authorized the expenditure of $8,000,000 of Proposition 50 funds to SLT for the acquisition of NPJV. In September the Gordon and Betty Moore Foundation committed another $4.32 million dollars. The Conservancy’s $500,000 of the available NOAA grant award would fill the final gap, enabling acquisition to go forward.

The long-term goals for the site are for restoration and protection of tidal and seasonal wetlands to assist with the recovery of the special status species on site and in the area, to complete significant portions of the Bay Trail, and to transfer the property to the State Department of Fish and Game (DFG) to permanently protect the site’s irreplaceable ecological resources. Since DFG is unable to provide the resources for the restoration work and trail construction, SLT will complete such work prior to transferring the property. Although SLT has secured a portion of
restoration funding, initial stewardship will also involve fundraising for the additional funds needed for such work. Prior to transfer of the property to DFG, existing agricultural leases will be continued. The lease for grazing in the upland portion will continue with the goal to control invasive plant species. Some oat hay production will continue on the lower parcels, but may be adjusted, if necessary to assure protection of sensitive resources and construction of the Bay Trail. These leases will terminate in five years or prior to the transfer of the property to DFG, whichever date comes first.

PROJECT FINANCING:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Coastal Conservancy (Portion of NOAA grant)</td>
<td>$500,000</td>
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<tr>
<td>Wildlife Conservation Board (Prop. 50)</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Gordon and Betty Moore Foundation</td>
<td>$4,320,000</td>
</tr>
<tr>
<td>Project Acquisition Cost</td>
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</tr>
<tr>
<td>Pre-acquisition Related Expenditures (Prop 50)</td>
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</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>$12,845,000</strong></td>
</tr>
</tbody>
</table>

The Conservancy’s contribution of $500,000 toward the purchase price is expected to come from the National Oceanic and Atmospheric Administration through its Coastal and Estuarine Land Conservation Program (CELCP). The CELCP was established to protect coastal and estuarine lands considered important for their ecological, conservation, recreational, historical or aesthetic value, which can be effectively managed and protected. Acquisition of NPJV, consistent with the purposes of the CELCP, will add an important piece to the North Bay’s ecosystem, having vast seasonal wetlands and adjacent upland grasslands vital to Bay-related bird and wildlife resources. The property also has recreational value as a prime location for the development of the San Francisco Bay Trail. SLT will effectively manage and protect the property in the short-term, and DFG will do so in the long-term.

The Conservancy would also provide up to $25,000 for acquisition-related expenditures. These funds are expected to come from the Conservancy’s FY 03/04 appropriation to the San Francisco Bay Area Conservancy Program from the “Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002” (Proposition 50). These funds are made available for watershed protection under Chapter 4.5 of Division 21.

Acceptance of the federal grant funds is authorized by Section 31104 of the Public Resources Code. Expenditure of the remaining grant funds would be the subject of (a) future staff recommendation(s).

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

This project is undertaken pursuant to Chapter 4.5 of the Conservancy’s enabling legislation, Public Resources Code Sections 31160-31164, to address resource goals in the San Francisco Bay Area. In particular, the Conservancy may award grants to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance (Section 31162(b)); improve public access to and around the
North Point Joint Venture

bay (Section 31162(a)); and assist in the implementation of the policies and programs of the San Francisco Bay Plan (Section 31162(c)). This project will protect existing seasonal wetlands, endangered animal species, vernal pools, and upland refugia found on NPJV property, provide significant natural open spaces, and improve public access via the Bay Trail. It will also assist in the implementation of the San Francisco Bay Plan by protecting intrinsic open space values and facilitating enhancement and restoration of seasonal and tidal wetlands, and implementation of the Bay Trail.

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

Consistent with **Goal 10, Objectives A and B**, the proposed project will result in the acquisition of both wetland and upland acreage totaling 1,679 acres, and in the eventual enhancement of tidal and seasonal wetlands.

Consistent with **Goal 11, Objectives A and B**, the proposed acquisition will result in the eventual construction of approximately one mile of Bay Trail accessible to the public.

Consistent with **the San Francisco Bay Area Geographic/Goal Matrix**, projects within the Sonoma marshes and those that will contribute to the Bay Trail, are targeted as important to the region.

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:** This project is considered by members of the public, noted scientists, and local, state, and federal agencies as critical for successfully implementing restoration and endangered species recovery efforts in the Bay-Delta. This broadly formulated consensus of opinion is expressed in a number of programs and publications including the *San Pablo Bay Watershed Restoration Framework Program*, the San Francisco Bay Joint Venture’s *Implementation Strategy*, the *Baylands Ecosystem Habitat Goals Report* and the *San Francisco Bay Estuary Project’s Comprehensive Conservation and Management Plan*.

4. **Location:** This project will complete protection of the vast area of open space known as the Sonoma Baylands which stretches between the Petaluma River and Tolay Creek. Acquisition
North Point Joint Venture

will allow for the protection of endangered animal species on site and in the area, construction of the Bay Trail where its alignment traverses the property and enhancement of seasonal and tidal wetlands on the southern portion of the site.

5. **Need:** The Conservancy’s $500,000 of the available NOAA grant award would fill the final gap allowing the acquisition to go forward.

6. **Greater-than-local interest:** The Sonoma Baylands of which this project is a part, is a significant regional resource in need of protection and enhancement for the health of the ecosystem of the San Francisco Estuary. Furthermore, the proposed acquisition will eventually result in the construction of the regionally significant Bay Trail where its alignment traverses the property.

**Additional Criteria**

7. **Urgency:** Without SLT’s ability to exercise the option on the property, the opportunity to secure this site forever for protection, enhancement, and public access will be lost. The property would be placed on the open market. The likely scenario to follow, in a county with a rapidly growing population, would be the eventual development of homes and vineyards.

8. **Resolution of more than one issue:** Acquisition will result in a) protection and enhancement of endangered species habitat to increase the chance of their survival on site and in the area, b) acquisition of one the last available Sonoma Bayland properties, and c) the eventual construction of the Bay Trail where it traverses the property.

9. **Leverage:** See the “Project Financing” section above.

10. **Conflict resolution:** When SLT, with the assistance of its partners, secured the option on the property, the raging controversy over the potential development of a large-scale casino and resort on this sensitive site, was resolved.

12. **Readiness:** The close of escrow is scheduled to occur within one month.

13. **Realization of prior Conservancy goals:** The effort to acquire threatened Sonoma bayland properties, put them into permanent stewardship, and preserve and restore them forever is one of the highest priorities for the San Francisco Bay Conservancy Program. This project is one of the last remaining large-scale acquisition and restoration opportunities within the Sonoma baylands.

14. **Cooperation:** Besides the Coastal Conservancy and the SLT, a number of other organizations enthusiastically contributed to and cooperated in the development and/or funding of this project. Among the organizations involved are the Wildlife Conservation Board, the Gordon and Betty Moore Foundation, the Sonoma County Agricultural Preservation and Open Space District, The Bay Institute, the Sonoma County Regional Parks, the California Department of Fish and Game, the United States Fish and Wildlife Service, the United States Corps of Engineers, the San Francisco Bay Joint Venture, and the Point Reyes Bird Observatory. The Graton Rancheria also graciously cooperated by donating its option on the property to SLT. The owners cooperated as willing sellers.
CONSISTENCY WITH SAN FRANCISCO BAY PLAN:
This project is supported by the Water Quality, Marshes and Mudflats, and Recreation policies of the San Francisco Bay Plan adopted by the San Francisco Bay Conservation and Development Commission (BCDC) in 1969, and as subsequently amended. Acquisition will result in the restoration of tidal and seasonal wetlands to improve the habitat and water quality of such marshes. Acquisition will also result in the development of the San Francisco Bay Trail located near the shoreline. Development of the Bay Trail will be carried out in a manner sensitive to Bay resource protection.

COMPLIANCE WITH CEQA:
As a transfer of ownership of interest in land to preserve existing natural conditions and to allow restoration of natural conditions, including plant or animal habitats, the proposed project is categorically exempt from the California Environmental Quality Act (CEQA) under 14 Cal. Code of Regulations Section 15325. The project is also exempt under Section 15317, which provides categorical exemption for the acquisition of lands in order to maintain the open space character of the area.

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