COASTAL CONSERVANCY

Staff Recommendation
January 19, 2012

SEARS POINT WETLAND RESTORATION PLANNING

Project No. 06-017-01
Project Manager: Betsy Wilson

RECOMMENDED ACTION: Authorization to disburse up to two hundred eighty-five thousand ($285,000) to the Sonoma Land Trust to complete final design and permitting for the restoration of the 2,327-acre Sears Point property in Sonoma County.

LOCATION: On the edge of San Pablo Bay between the mouth of the Petaluma River and Tolay Creek, Sonoma County (Exhibit 1).

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Project Photographs

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred eighty-five thousand dollars ($285,000) to the Sonoma Land Trust to complete final design and permitting for the restoration of the 2,327-acre Sears Point property in Sonoma County subject to the condition that no Conservancy funds shall be disbursed until the Executive Officer has reviewed and approved in writing:

1. Any contractors to be hired for the project; and
2. A final work program for the project, including a detailed schedule and budget."

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 current Project Selection Criteria and Guidelines.

2. The proposed authorization is consistent with the purposes and objectives of Chapter 4.5 of Division 21 of the Public Resources Code, regarding the Conservancy's mandate to address the resource and recreational goals of San Francisco Bay Area.
3. Sonoma Land Trust is a nonprofit organizations existing under Section 501(c)(3) of the U.S. Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code."

PROJECT SUMMARY:

Staff recommends that the Conservancy authorize a grant of up to two hundred eighty-five thousand dollars ($285,000) to the Sonoma Land Trust (SLT) to complete final design and permitting for the restoration of the 2,327-acre Sears Point property in Sonoma County. Upon implementation, the Sears Point Wetland Restoration Project (Project) will restore 960 acres of tidal marsh, enhance and restore over 106 acres of seasonal wetlands, and restore nearly 1,000 acres of upland grasslands and riparian corridors. The Project will also enhance 15.5 acres of breeding and sheltering habitat for the California red-legged frog including creation of several breeding ponds and public access will be dramatically increased with the construction of 2.5 miles of the San Francisco Bay Trail (Bay Trail).

In 2005, SLT acquired the Sears Point property, a vital link along the northern San Pablo Bay shoreline connecting nearly five miles of protected and restored tidal marsh habitat from the Petaluma River to Tolay Creek (Exhibit 1). Unique among nearly all shoreline conservation properties, the Sears Point property extends deep into the adjacent uplands reaching elevations of nearly 400 feet. Some nine miles of riparian corridors traverse its grasslands, willow groves, and broad plains of seasonal wetlands to connect upland to Bay. Slated for casino development prior to SLT's acquisition, the Sears Point site is now protected in perpetuity offering an unparalleled opportunity for landscape-scale restoration of multiple habitats in the North Bay. Within the San Francisco Bay region, Sears Point is widely regarded as one of the highest priorities for restoration.

Since acquiring the property in 2005, SLT has developed a comprehensive restoration plan for the site, a process that brought together a diverse set of stakeholders and underwent intensive peer review. The Conservancy authorized $1 million towards restoration planning in April 2006 and its Executive Officer approved an additional $150,000 in June 2010. Most of the planning work has been completed with existing funds. However, the cost to prepare the environmental document and the permitting costs were higher than originally anticipated, so there is a need for additional funding to complete final design and permitting. Among other items, additional design funds are needed to: 1) retain the services of a stormwater pump consultant to design the pump configurations and stations; 2) run the stormwater model a final time based on the final specifications; 3) hire a specialized railroad engineer to assist with design of a public railroad crossing; and 4) conduct pre-project biological surveys (e.g., California red-legged frog, rare plants, burrowing owls).

Contingent on funding, design and permitting for the Project are estimated to be complete by early summer 2012. Phase I implementation will begin shortly thereafter. Major construction will be complete in 2014 with pre-vegetation actions and levee breaching complete by mid-2015. Conservancy staff will be returning to the Conservancy after the environmental document for the

project is completed to request authorization to disburse Conservancy funds and grant funds from the Department of Water Resources and the U.S. Fish and Wildlife Service (USFWS) for construction of the Sears Point project.

For more than 30 years, SLT has been committed to protecting the varied scenic, natural, agricultural and open landscapes of Sonoma County for the benefit of present and future generations. SLT's involvement with the Sonoma Baylands area began in the mid 1980s when it acquired its first Baylands property along Highway 37. Other acquisitions followed, culminating in the purchase of the two Sears Point properties (Dickson Ranch and the North Point Joint Venture property) in 2004/2005. Today SLT owns or holds easements over most of the land on both sides of Highway 37 from the Petaluma River to Sears Point and Tolay Creek. SLT has conducted numerous successful projects with support from the Conservancy.

Site Description: The 2,327-acre Sears Point property extends from the margin of San Pablo Bay to neighboring ridgelines nearly 400 feet in elevation (Exhibit 2). Some 1,500 acres are diked agricultural baylands, isolated from the Bay more than 100 years ago and subsided to elevations below mean sea level. Two transportation arteries bisect the diked baylands - Highway 37 and the Sonoma Marin Area Rail Transit (SMART) railroad. Progressing inland the property includes more than 800 acres of ecotonal and upland grasslands encompassing seasonal wetlands, riparian drainages, and annual grasslands.

The proposed 960-acre tidal marsh restoration is ideally situated between two adjacent restoration projects: Tubbs Island and Sonoma Baylands. Although sea level rise poses a threat to existing and planned tidal marshes, Sears Point has access to abundant sediment sources including the vast mudflats that occupy the northern San Pablo Bay margin and the sediment derived from Sonoma Creek and the Petaluma River.

Field investigations conducted since SLT acquired the property have documented a wider diversity in native plant and wildlife populations than were anticipated at the time of the acquisitions. The San Pablo Bay watershed is an essential feeding and resting stop for migratory birds on the Pacific Flyway and provides important habitat for many rare and endangered species.

Project History: Historically, nearly 80,000 acres of tidal marshes and open mudflats surrounded San Pablo Bay, providing essential habitat for a wide range of animals, birds, and plants. Over the past 150 years, thousands of acres of these wetlands were diked, drained, and reclaimed for agricultural use; overall, 82% of the North Bay's historic tidal wetlands were destroyed. Beginning in the early 1970s, scientists recognized that in order to enhance the ecological vitality of the Bay, many thousands of acres of tidal marshes would need to be restored. Local, state, and federal agencies consider these restoration activities an essential component of the successful restoration of the Bay, including the recovery of threatened and endangered fish and wildlife species. The *San Francisco Baylands Ecosystem Habitat Goals Report*, completed in 1999 with input from over 100 scientists and resource managers, recommends restoration of approximately 60,000 acres of tidal marsh in San Francisco Bay and specifically recommends restoration of the Sears Point site.

In 2004/2005, the SLT acquired the North Point and Dickson Ranch properties, collectively known as the 2,327-acre Sears Point property, marking a key milestone in this regional restoration agenda. For a short time, this property was referred to as the "casino lands" because the Federated Indians of Graton Rancheria had proposed a casino development. The planned

casino and resort met with stringent opposition. The Rancheria recognized the local sentiment and donated their $4 million purchase option on the North Point property.

Funding for the acquisition phase began by leveraging $1.6 million raised from over 600 individuals and organizations in the local community. To acquire the land, SLT received grants from the Conservancy, the Wildlife Conservation Board (WCB), the Gordon and Betty Moore Foundation, and the Sonoma County Agricultural Preservation and Open Space District (SCAPOSD). Since the acquisitions, SLT has maintained an involved constituency of stakeholders representing over 40 agencies and organizations. The Conservancy authorized $525,000 towards the acquisition in December 2004.

Post-acquisition, the Conservancy and others provided funding for collection of biological, physical, and archaeological data; the preparation of a Conceptual Restoration Plan, Draft and Final EIR/S, and design plans; and multiple other activities. In parallel with the planning and permitting activities, SLT has completed substantial ecological enhancements in the upland portions of the property. The Conservancy authorized $1 million towards restoration planning in April 2006 and its Executive Officer approved an additional $150,000 in June 2010.

PROJECT FINANCING

Previous Conservancy Funding:

Coastal Conservancy (WCB grant)	$1,000,000
Coastal Conservancy (Prop 84)	150,000

Proposed:

Coastal Conservancy	285,000
Sonoma Land Trust	665,000
Other (Local fundraising, matching grants):	758,000
Total Project Costs	$2,858,000

The anticipated source of Conservancy funds is a Fiscal Year 2010 appropriation to the San Francisco Bay Area Conservancy Program from the "Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006" (Proposition 84). Proposition 84 authorizes the use of these funds for purposes of the protection of coastal waters and watersheds and to protect and restore the natural habitat values of coastal waters and lands. (Public Res. Code § 75060). Funds may be used for projects in accordance with the Conservancy's enabling legislation, Division 21 of the Public Resources Code. (Public Res.Code § 75074). This project is also appropriate for prioritization under the selection criteria set forth in Section 75071 in that there are non-state matching contributions toward the restoration.

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 and recreational goals in the San Francisco Bay Area.

The Sears Point Wetland Restoration Project is located in Sonoma County, one of the nine San Francisco Bay Area counties in which the Conservancy is authorized, under Sections 31160 and 31161 of the Public Resources Code, to undertake projects and award grants to address resource and recreational goals for the region.

Consistent with Section 31162, the Conservancy may undertake projects that will help to achieve specified goals for the San Francisco Bay Area Conservancy Program. 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. Upon implementation, the project will restore 960 acres of tidal wetlands, create and enhance 106 acres of seasonal wetlands, restore nearly 1,000 acres of upland grasslands and riparian corridors, and enhance 15.5 acres of breeding and sheltering habitat for the California red-legged frog.

Under Section 31162(a), the Conservancy may act to improve public access to and around the bay by helping to complete a regional trail system, without adversely impacting agricultural operations, environmentally sensitive areas or wildlife. Upon implementation, the project will construct a 2.5-mile segment of the San Francisco Bay Trail, a regional 500-mile trail network that will encircle San Francisco and San Pablo Bays. The Bay Trail will be designed to avoid adversely impacting agricultural operations, environmentally sensitive areas or wildlife.

Finally, the proposed project satisfies all of the criteria for determining project priority under Section 31163(c), as follows: The project (1) is supported by adopted regional and local plans including the *San Francisco Bay Plan*, the *San Francisco Baylands Ecosystem Habitat Goals Report*, the USFWS's *Draft Recovery Plan for Tidal Marsh Ecosystems of Northern and Central California*, the Sonoma County General Plan, the *Bay Trail Plan*, the *Sonoma Bay Trail Corridor Plan*, and the *2009 California Climate Adaptation Strategy*; (2) serves a regional constituency involving, among others, the California Department of Fish and Game (CDFG), USFWS, San Pablo Bay National Wildlife Refuge, SCAPOSD and several nonprofit organizations whose mission includes natural resource protection and restoration; (3) can be implemented in a timely way with the implementation phase planned to start in summer 2012; (4) provides benefits that would be lost if the project is not quickly implemented as prompt implementation of tidal wetlands restoration project is vital to keeping pace with sea level rise; and (5) includes matching funds as described in the Project Financing section.

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 10, Objective B** of the Conservancy's 2007 Strategic Plan, the proposed project will assist in the development of plans for the restoration of 960 acres of tidal wetlands, 106 acres of seasonal wetlands, and 1,000 acres of upland grasslands and riparian corridors.

Consistent with **Goal 11, Objective D** of the Conservancy's 2007 Strategic Plan, the proposed project will assist in the development of plans for approximately 2.5 miles of the San Francisco Bay Trail.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on June 4, 2009, 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 project has widespread support from the public and private sector including Congresswoman Lynn Woolsey, State Senator Mark Leno, Assemblyman Jared Huffman, County Supervisor David Rabbitt, USFWS, San Pablo Bay National Wildlife Refuge, U.S. Environmental Protection Agency, the San Francisco Bay Regional Water Quality Control Board, DFG, SCAPOSD, Gordon and Betty Moore Foundation, and the San Francisco Bay Joint Venture.
4. **Location:** The proposed project is located in the nine-county San Francisco Bay Area consistent with Section 31162 of the Public Resources Code.
5. **Need:** SLT and project partners have and will continue to raise project funds for implementation, but additional funding is needed to complete final design and permitting. Without Conservancy funding the project could be delayed which would result in the loss of $1.75 million in federal grant dollars set to expire in 2012.
6. **Greater-than-local interest:** The Sears Point project would contribute to the effort to restore a continuous, wide band of tidal marsh along the Bay shore from Tolay Creek to the Petaluma River. Restoration of the Bay's tidal wetlands will aid in the recovery of several threatened or endangered species, including the California clapper rail and salt marsh harvest mouse. The project will also construct a 2.5-mile segment of the Bay Trail.
7. **Sea level rise vulnerability:** The Sears Point site is located along the shore of San Pablo Bay, making it vulnerable to sea level rise and storm surge. In anticipation, the project design will include multiple adaptive management approaches.

Additional Criteria

8. **Urgency:** From an ecological perspective there is consensus among scientists that prompt implementation of tidal wetlands restoration project is vital to keeping pace with sea level rise. Delays to project implementation may reduce the likelihood of project success.
9. **Leverage**: See the "Project Financing" section above.
10. **Readiness**: This authorization would enable ongoing design and permitting activities to continue and be completed by early summer 2012, with implementation to begin shortly thereafter.
11. **Realization of prior Conservancy goals**: "See "Project History" above."
12. **Cooperation**: SLT is working closely with DFG and USFWS on this project. DFG and the USFWS have agreed to split future ownership and management of the Sears Point property.

The Conservancy, WCB, and private foundations funded the restoration planning. A coalition of private, local citizens, private foundations, and nonprofit organizations supported and worked on the development of the restoration plans.

13. **Minimization of greenhouse gas emissions:** In their review of current literature on the ability of tidal salt marshes to sequester carbon, Trulio, et al. (2007)[1] find that, from the standpoint of habitat restoration, restoring tidal salt marshes is one of the most effective measures for sequestering carbon. Besides being extremely productive habitats, tidal marshes remove significant amounts of carbon from the atmosphere.

CONSISTENCY WITH SAN FRANCISCO BAY PLAN:

The project is within the permit jurisdiction of the San Francisco Bay Conservation and Development Commission (BCDC). The project is consistent with the following policies of BCDC's San Francisco Bay Plan:

Part III: the Bay as a Resource

Water Quality

Policy 1 - To the greatest extent feasible, the Bay marshes, mudflats, and water surface area and volume should be maintained and, whenever possible, increased.

Water Surface Area and Volume

Policy 2 - Water circulation in the Bay should be maintained, and improved as much as possible.

Tidal Marshes and Tidal Flats

Policy 4 - Where and whenever possible, former tidal marshes and tidal flats that have been diked from the Bay should be restored to tidal action in order to replace lost historic wetlands. As recommended in the *Baylands Ecosystem Habitat Goals Report*, around 65,000 acres of areas diked from the Bay should be restored to tidal action.

Policy 5 - Tidal restoration projects should include clear and specific long-term and short-term biological and physical goals, and success criteria and a monitoring program to assess the sustainability of the project.

Part IV: Development of the Bay and Shoreline

Public Access

Policy 2 – New projects in the Bay or on the shoreline, including new wildlife areas, increase public access to the Bay to the maximum extent feasible.

Policy 4 - Public access should be sited, designed and managed to prevent significant adverse effects on wildlife.

Policy 10 - Federal, state, regional, and local jurisdictions, special districts, and BCDC should cooperate to provide appropriately sited, designed and managed public access, especially to link

[1] Trulio, L., J. Callaway, S. Crooks. 2007. White Paper on Carbon Sequestration and Tidal Salt Marsh Restoration.

the entire series of shoreline parks, regional trail systems (such as the San Francisco Bay Trail) and existing public access areas to the extent feasible without additional Bay filling and without significant adverse effects on Bay natural resources.

COMPLIANCE WITH CEQA:

Under 14 California Code of Regulations ("CCR") Section 15262, feasibility and planning activities are statutorily exempt from California Environmental Quality Act ("CEQA") review. Similarly, 14 CCR Section 15306 categorically 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 the project.