

## COASTAL CONSERVANCY

Staff Recommendation  
January 29, 2015

### **PARKER RANCH EASEMENT ACQUISITION**

Project No. 10-053-02  
Project Manager: Joel Gerwein

**RECOMMENDED ACTION:** Consideration and possible Conservancy authorization to accept \$1,000,000 in grant funds from the U.S. Fish and Wildlife Service, and disburse up to \$960,000 of these funds to The Nature Conservancy to acquire a working forest easement over the 2,554 acre Parker Ranch, located adjacent to the Ten Mile River, Mendocino County, to preserve open space and fish and wildlife habitat and for sustainable timber production.

**LOCATION:** Unincorporated Mendocino County, approximately ten miles north of the City of Fort Bragg.

**PROGRAM CATEGORY:** Integrated Coastal and Marine Resource Protection

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#### **EXHIBITS**

- Exhibit 1: [Project Location and Site Map](#)
  - Exhibit 2: [Photos](#)
  - Exhibit 3: [Project Letters](#)
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#### **RESOLUTION AND FINDINGS:**

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the acceptance of a grant of one million dollars (\$1,000,000) from the U.S. Fish and Wildlife Service (“USFWS”) and the disbursement of up to nine hundred sixty thousand dollars (\$960,000) to The Nature Conservancy (“TNC”) to acquire a working forest conservation easement over the approximately 2,554-acre Parker Property (Mendocino County Assessor Parcel Nos. 1508007, 150812, 1508013, 1508024, 1514014, 1514028, 1514029, 1514033, 1514036, 1514040, 1514044, 1514051, 1514052, 1514053, 1514060, 1514065, 1514072, 1514073, 1514074, 1514075, 1514078, and 1514079) to preserve open space and fish and wildlife habitat and for sustainable timber production, subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition, TNC shall submit for review and approval by the Conservancy’s Executive Officer:

- a. All relevant acquisition documents, including but not limited to an appraisal, terms of the conservation easement, environmental assessment, agreement of purchase and sale, escrow instructions, and documents related to title.
  - b. Evidence that it has obtained all funds necessary to complete the acquisition.
2. All property interests acquired with these funds shall be permanently protected for sustainable timber production, open space and fish and wildlife habitat conservation in a manner acceptable to the Conservancy's Executive Officer and consistent with Public Resources Code Section 31116(b).
  3. TNC shall pay no more than fair market value for the property, as established in an appraisal approved by the Conservancy's Executive Officer.
  4. Conservancy and USFWS funding shall be acknowledged by erecting and maintaining a sign on the property that has been reviewed and approved by the Conservancy's Executive Officer.
  5. TNC shall purchase the property only from willing sellers.
  6. TNC shall ensure compliance with and assist the Conservancy in complying with the USFWS grant terms.
  7. TNC shall not convey any portion of or interest in the property acquired in whole or in part with funds provided under this authorization, without the Conservancy's Executive Officer's approval."

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 Chapter 5.5 of Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resources Protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. TNC is a nonprofit organization existing under Section 501(c)(3) of the Internal Revenue Code and whose purposes are consistent with the Conservancy's enabling legislation (Division 21 of the Public Resources Code)."

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### **PROJECT SUMMARY:**

Staff recommends Conservancy authorization of the acceptance of a U.S. Fish and Wildlife Service ("USFWS") grant of \$1,000,000 and the disbursement of up to \$960,000 of these funds to The Nature Conservancy ("TNC") to acquire a working forest easement over 2,554 acres of property known as the Parker Ranch, located adjacent to the Ten Mile River, Mendocino County, for the purposes of preserving open space and fish and wildlife habitat and sustainable timber production. The ranch lies along the main stem of the Ten Mile River (Exhibit 1) and contains

both sides of the river for nearly three miles. It also contains nearly a mile of additional Class 1 streams (Gulch 3, Vallejo Gulch) that are confirmed coho spawning streams, 3.5 miles of Class 2 and 15 miles of Class 3 streams. Protecting and restoring the riparian forests and associated waterways on the property is therefore critical both from an upstream connectivity standpoint for salmonids and Pacific lamprey and for the spawning habitat that exists onsite. The larger area in which the proposed project is located supports a host of rare, threatened and endangered species (Exhibit 1). The Ten Mile River watershed is one of the highest quality salmon streams and estuaries in Mendocino County, supporting runs of endangered coho salmon and threatened steelhead and coastal Chinook salmon, as well as one of the State's largest populations of the tidewater goby. The area's forest habitat also contains nesting habitat for northern spotted owl and marbled murrelet.

The proposed project will preserve a rich mosaic of native forest habitats, including large areas of redwood, Douglas-fir, and grand fir in the upland zones and mature red alder forests within the riparian zone along the Ten Mile River. It also encompasses an eight-acre grove of old-growth redwoods.

The property is threatened by potential subdivision and development. The Parker family owns the ranch through a limited liability partnership that is controlled by three Parker siblings, all in their seventies. Younger family members have expressed an interest in selling part or all of the property unless their shares can be acquired in another way. The Ranch is comprised of seven legal parcels, several of which have high development potential due to their proximity to the coast and expansive views. The sale of a conservation easement will provide the family the financial resources and legal mechanism to keep the Property intact. The purchase of a conservation easement would retire all subdivision and development rights, improve forest health and structure, protect sensitive habitats, and provide the family with the resources needed to ensure the ranch remains intact in perpetuity.

The easement to be acquired is consistent with the Conservancy's current adopted standards governing grants for the acquisition of conservation easements. Consistent with the Conservancy's easement standards, the purposes of the easement are to preserve open space and fish and wildlife habitat and to enable continued sustainable timber production. The easement retires subdivision/development rights, and withdraws old-growth redwoods on the property from timber harvest in perpetuity. In the event the existing Non-Industrial Timber Management Plan, which has been reviewed and approved by TNC, is cancelled, the easement requires that the current or future landowners prepare a binding Forest Management Plan approved by TNC and consistent with the conservation objectives of the easement. The easement terms limit water uses to current activities, thereby eliminating the possibility that future owners could impact fish and wildlife habitat and wetlands by withdrawing substantially more water in the future.

The easement removes forested zones adjacent to the riparian corridor from commercial timber harvest, and sets aside large zones now used for grazing for future riparian revegetation. These changes will both reduce temperatures in the system, thereby addressing one of the two factors (the other being sediment) that have caused the Ten Mile River to be added to the state's 303(d) list of impaired waterways. These zones are also targeted for restoration of floodplain habitat such as side channels and off-channel ponds. These features provide critical overwinter rearing habitat for salmonids.

The easement limits new road construction and requires that any new/replacement roads be built using best management practices, thereby limiting future sediment production caused by improperly constructed roads. The easement sets aside restoration zones currently included in the Property's agricultural footprint that will enable floodplain restoration projects intended to improve over-summer and over-winter habitat for juvenile salmonids. The easement includes the following restrictions to increase buffers along all riparian corridors passing through the property and prohibits any new diking or other hydrologic modification, thereby allowing for the migration of wetlands should sea level rise as projected:

- Installing and maintaining fencing is required to establish a grazing-free zone or corridor around sensitive wetlands including riparian areas and marshes.
- Prohibiting additional conversion to agricultural uses aside from a limited "Agricultural Zone."

Consistent with the Conservancy's easement standards, a baseline conditions report has been prepared and will be submitted to the Conservancy for approval before close of escrow. The easement acknowledges TNC's right to undertake compliance monitoring and establishes minimum requirements for monitoring consistent with the Conservancy's requirements.

Conservation of the Ten Mile River watershed has been the subject of significant inter-organizational coordination, planning and implementation. The watershed and its estuarine wetlands have been prioritized for protection in planning efforts led by the Mendocino Land Trust, The Conservation Fund and the U.S. Environmental Protection Agency. The Conservancy and the David and Lucile Packard Foundation funded the protection of the adjacent Smith-Vest Ranch by The Conservation Fund in 2012, and the WCB Forest Conservation Program funded the purchase of a conservation easement over the neighboring Perry-Smith Ranch in 2014, which protected a section of the south bank of the Ten Mile River across from the Parker Ten Mile Ranch. TNC is conducting negotiations with the owners of the neighboring Olson Ranch and has secured a funding commitment from the USDA Natural Resources Conservation Service to protect Olson Ranch wetlands. These projects taken together can protect over 90% of the land surrounding the vital Ten Mile River estuary, but the Parker Ten Mile Ranch is key in that it represents over 50% of the total estuary catchment acreage. TNC plans to hold and monitor all of the conservation easements, coordinate all science/planning activity across the properties, and manage overall restoration work. Finally, TNC will collaborate with the Hawthorne Timber Company to coordinate watershed-wide monitoring activities and to pursue joint restoration projects when appropriate. Taken together, these projects will permanently protect the coastal portion of the watershed that is most threatened by development and open up large zones of the Ten Mile River floodplain for habitat restoration. This zone serves as the critical linkage and transition zone between the Pacific Ocean / Mackerricher State Park to the west and the upper watershed and its spawning grounds and expansive forests to the east.

The Project establishes a foundation for working with the current landowner on future restoration and long-term stewardship of the forest and wetland habitats. Because the landowners will continue to reside on the property, the Project will qualify for a larger variety of additional restoration funds from non-state sources that only landowners can apply for. Two such sources are the Wetlands Reserve Program (WRP) and the Environmental Quality Incentives Program (EQIP) offered by the Natural Resources Conservation Service. These funds provide financial assistance to agricultural landowners to improve soil, water, wetlands and related resources on

agricultural lands. One particular restoration activity that these funds could be used for is the cost of materials and labor to erect cattle exclusion fencing along the Ten Mile River and around the sensitive wetland areas. Another such restoration funding source is the “Partners for Fish and Wildlife Program” through the U.S. Fish and Wildlife Service that provides funds and assistance to private landowners to enhance and restore important fish and wildlife habitats. This source of funds could provide technical and financial assistance for the future revegetation in the riparian corridor of the Ten Mile and the estuary wetlands as well as help with ongoing monitoring efforts to track progress. As the Parker Ten Mile Ranch will likely be competitive for these restoration funds due to the important ecological values the ranch harbors, TNC plans to assist the landowners in applying for the money and helping to implement the habitat restoration and enhancement. By qualifying for a diversity of restoration funds, this project will efficiently begin to restore and enhance one of the largest remaining coho runs on the Northern California coast.

TNC is highly qualified to acquire and hold the conservation easement over the Parker Ranch. TNC is among the world’s largest conservation organizations and has been involved in acquiring interests in land for habitat protection since 1955. TNC helps to protect approximately 15 million acres in the United States.

**Site Description:**

The Parker Ten Mile Ranch is predominantly coastal forest (95%) of various types, with the balance being grassland. Elevations range from sea level along the Ten Mile River to over 1,200 feet atop overlooking hills. Nearly 2,300 acres of the property consist of coastal forest, including low-elevation riparian forests dominated by red alder and upland forests comprised of grand fir, redwood, and Douglas-fir. The 120+ acres of grassland and scrub zones include rare coastal prairie and northern coastal scrub habitats. Most of the 60+ acres of coastal wetlands (contained both within the grassland and forest zones of the property) are of regionally declining wetland types.

The property has been used for both timber production and grazing for over a century, and includes residences and outbuildings for the Parker family. The forest zones of the property have been managed using selection-based silvicultural techniques since the mid-1990s and are beginning to reflect multiple age classes and natural structure after having been harvested intensively in the early and mid-1900s and again in the 1980s.

The larger Ten-Mile River watershed area is one of the most intact coastal watersheds in Northern California. A large number of conservation plans have prioritized protection of the Ten Mile watershed, from the 1975 California Coastal Plan (Coastal Commission, 1975) up through the Recovery Plan for the Tidewater Goby (USFWS, 2005), the Recovery Plan for the Central California Coast Coho Salmon (NMFS, 2012) and the designation of the Ten Mile Estuary as a Marine Protected Area under the California Marine Life Protection Act (CDFG, 2012). The Ten Mile River contains one of the largest remaining populations of coho salmon in Mendocino County (SWRCB, 2005), coastal Chinook salmon and steelhead trout, and the estuary harbors one of the largest populations of the endangered tidewater goby. Forest zones on the Parker Ten Mile Ranch provide nesting habitat for threatened northern spotted owls. Other conservation targets protected via the project include North Coast riparian forest & scrub, southern torrent salamanders, tailed frogs, red tree vole, mountain lions and wet/montane meadows.

**Project History:** The Ten Mile River watershed has been identified as a high priority in several public and private conservation plans. The 1975 Coastal Plan called for acquisition of the wetlands at the Ten Mile River, which the CDFW and the US WS classified among the most productive in the state. The Conservancy-funded planning efforts *Conservation Prospects for the North Coast* and *Mendocino Coast Conservation Plan* both identified the Ten Mile River watershed and estuary as a priority conservation area, as did the CDFW’s Coho Recovery Plan and the Pacific Coast Joint Venture’s Strategic Plan. TNC identified the watershed as a priority for conservation based on their 2011 report, *Conservation Assessment of West Coast Estuaries*, a study of 146 West Coast estuaries.

The Conservancy has been involved in protection of the Ten Mile River watershed since 2009, when staff became involved in efforts to protect the Ten Mile Ranch, located downstream of the Parker Ten Mile Ranch at the river mouth. TNC approached the Conservancy about assistance in the protection of the Parker Ten Mile Ranch in 2013.

**PROJECT FINANCING:**

|  |                            |
|--|----------------------------|
| Coastal Conservancy (US Fish and Wildlife Service grant) | \$960,000                  |
| Wildlife Conservation Board                              | \$3,000,000                |
| The Nature Conservancy                                   | \$1,500,000                |
| To Be Determined   | <u>\$200,000-\$500,000</u> |

**Total Project Costs** \$5,660,000-\$5,960,000

The expected source of Conservancy funds for this project is a National Coastal Wetlands Conservation (“NCWC”) grant from the USFWS. The grant was awarded in 2013 for the protection of the Olson Ranch located downstream of the Parker Ten Mile Ranch. After Natural Resources Conservation Service funding was identified for the protection of Olson Ranch, the Conservancy revised the NCWC proposal to focus on the Parker Ranch. The USFWS approved the revised proposal in November 2014. In addition to the \$960,000 proposed grant to TNC, the remaining \$40,000 of USFWS grant funds will reimburse the Conservancy for its cost in developing and managing the project. Wildlife Conservation Board (WCB) funding has not yet been authorized but is expected to be considered at WCB’s February meeting. The property appraisal is being finalized at this time. Therefore, a range of project costs is shown in the financing information above. Funding shown as “To Be Determined” above is expected to come from WCB or from TNC. Securing these additional funds is not expected to delay the acquisition.

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:**

The proposed project would be undertaken pursuant to Chapter 5.5 of the Conservancy’s enabling legislation, Public Resource Code Section 31220.

Consistent with Section 31220(a)(6), the project involves granting funds to acquire and protect coastal wetlands, riparian areas, sensitive watershed lands, and fish and wildlife habitat within a coastal watershed in order to improve and protect coastal water quality and habitats. As required

by Section 31220(a), the Conservancy has consulted with the State Water Resources Control Board regarding the grant's consistency with Chapter 3 of Division 20.4 of the Public Resources Code, regarding water quality of coastal waters and beaches.

Consistent with Section 31220(b)(2), the Conservancy may award a grant for a project that protects or restores fish and wildlife habitat within coastal watersheds. The Parker Ranch lies within the Ten Mile River watershed, and the acquisition of the property for habitat protection and sustainable timber production will reduce threats to fish and wildlife, and protect coastal and riparian wetlands, floodplains and other sensitive watershed lands.

Consistent with Section 31220(c), the project will include a monitoring and evaluation component to assess the effects of future timber management and habitat enhancement projects on the property's resources. Further, the project is consistent with the Water Quality Control Plan for the North Coast Basin, in which the project area is located. See "Consistency with Local Watershed Management Plan/State Water Quality Control Plan" Section below.

Under Section 31104, the Conservancy may apply for and accept federal grants.

#### **CONSISTENCY WITH CONSERVANCY'S 2013 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 4, Objective 4A** of the Conservancy's 2013 Strategic Plan, the proposed project will protect 2,554 acres of a significant coastal and watershed resource property.

Consistent with **Goal 4, Objective 4B** of the Conservancy's 2013 Strategic Plan, the proposed project will protect 2,554 acres of working lands through the purchase of a conservation easement.

Consistent with **Goal 4, Objective 4C**, the proposed project will preserve and restore fish and wildlife corridors between core habitats along the coast and from coastal to inland habitat areas.

#### **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 October 2, 2014, 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. **Promotion and implementation of State Plans and Policies:** The project will help implement the recommendations of the CDFW's 2004 Coho Recovery Plan, which designated the Ten Mile River watershed as a priority conservation area. It will also support the conservation priorities identified in the California Marine Life Protection Act, as the Ten Mile River Estuary was designated as a Marine Protected Area under the Act. It will also help implement the 1975 California Coastal Plan, prepared by the Coastal

Commission, which recommends that wetlands in the Ten Mile River watershed be protected for fish and wildlife habitat.

4. **Support of the public:** The project enjoys broad public support, including from State Assemblyman Wes Chesbro, and State Senator Noreen Evans. (See Exhibit 3: Project Letters)
5. **Location:** The proposed project would be located almost entirely within the coastal zone of Mendocino County. The portion of the project area that is located outside the coastal zone is critical to protect water quality for salmon and steelhead populations.
6. **Need:** While TNC has secured significant funding from WCB for the project and is contributing staff time to the project, Conservancy funding provides a significant portion of the acquisition cost and is necessary to implement the project. TNC does not have additional funding to contribute to this acquisition.
7. **Greater-than-local interest:** Protection of the Ten Mile River estuary and its watershed has been identified as a high priority in numerous conservation plans, including TNC's North Coast Ecoregional Plan and Aquatic Recommendations, the CDFW's Coho Recovery Strategy, the Pacific Coast Joint Venture Strategic Plan, Save the Redwoods League's Focal Area study, the Mendocino Land Trust's Coastal Conservation Plan, and The Conservation Fund's "Conservation Prospects for the North Coast".
8. **Sea level rise vulnerability:** Coastal estuaries are, by nature, frequently subject to flooding, erosion and storm surges, though such events could be more frequent or severe in the event of any sea level rise occurring over the next 50 to 100 years. The project has significant uplands that would either not be affected by projected sea level rise or would provide for the migration and adaptation of wetland, floodplain and tideland habitats.

#### **Additional Criteria**

9. **Urgency:** The project must be implemented in the near future to take advantage of the significant federal funds available at this specific site and to protect the property before a generational transition results in a breakup of the property.
10. **Leverage:** See the "Project Financing" section above.
11. **Readiness:** TNC and the landowner are prepared to move ahead with the acquisition.
12. **Realization of prior Conservancy goals:** See "Project History" above.
13. **Cooperation:** Numerous agencies and conservation organization are working together to protect properties in the Ten Mile River Watershed, including TNC, the Conservancy, WCB, the USFWS, The Conservation Fund, and NRCS.
14. **Vulnerability from climate change impacts other than sea level rise:** Changing temperature and precipitation may result in increased threats to native plant and wildlife communities on the site. TNC's monitoring of the property will allow for the possibility of adaptive management to protect vulnerable biological communities. The acquisition of the Parker Ranch conservation easement will minimize climate change impacts by providing permanent protection, restoration and enhancement of habitats and ecosystem

processes on 2,554 acres that could otherwise be subject to residential subdivision, agricultural intensification including grazing or unsustainable timber harvesting. The property's protection will protect areas adjacent to shoreline habitats, which will support native species in need of shifting habitats that may result from climate change, and will specifically conserve and restore habitats that sequester carbon by protecting redwood and Douglas fir forestland. Finally, the protection of the tract will enhance and restore the property's riparian and estuarine zones to accommodate increased flooding, erosion and storm surges.

15. **Minimization of greenhouse gas emissions:** The project will likely reduce the future production of greenhouse gas emissions by placing limits on development, grazing and timber harvesting. The restoration of riparian and wetland habitat along the floodplain of the Ten Mile River will likely result in greenhouse gas emission reductions.

**CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/STATE WATER QUALITY CONTROL PLAN:**

The proposed project is consistent with the Water Quality Control Plan for the North Coast Basin (adopted by the North Coast Regional Water Quality Control Board in 2011) in that it would protect fish and wildlife habitat in a coastal watershed and coastal wetlands, including habitat for state- and federally-listed species, and thereby protect and enhance the following existing beneficial uses identified by the Water Quality Control Plan for the Ten Mile River watershed:

- Estuarine habitat
- Fish Migration
- Fish Spawning
- Cold Freshwater Habitat
- Wildlife Habitat

The proposed project is also consistent with the North Coast Regional Water Quality Control Board's 2005 *Watershed Planning Chapter* discussion of the Ten Mile River, in that it would protect coho salmon and other fish in the Ten Mile River Watershed, and facilitate the restoration of their habitat. The *Watershed Planning Chapter* identifies the following steps as important for improving salmonid habitat in the Ten Mile River watershed: reductions in sediment delivery, protection and improvement in riparian functions, increases in large woody debris for sediment metering and habitat, and modification of stream channel type. The proposed project will protect riparian habitat and facilitate the restoration and enhancement of floodplain habitat. Protection of the project area is a critical first step to allow for enhancement of habitat, as discussed above.

**CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:**

The proposed project is consistent with the Mendocino County Local Coastal Program ("LCP"). The LCP specifically identifies the wetlands at Ten Mile River and the Ten Mile Beach and Dunes as Significant Natural Areas that require protection. The LCP also notes that the 1975 Coastal Plan identified the Ten Mile River wetlands as an area that should be acquired and

protected. The Ten Mile River is also identified in the LCP as amongst the six most important coastal streams in Mendocino County for anadromous fish.

**COMPLIANCE WITH CEQA:** The proposed project is categorically exempt from the California Environmental Quality Act under 14 Cal. Code of Regulations Sections 15313 as an acquisition of land for preservation of fish and wildlife, and 15325 as a transfer of an interest in land to preserve open space and habitat. Upon approval, staff will file a Notice of Exemption for the project.