COASTAL CONSERVANCY

Staff Recommendation September 6, 2018

SAMOA DUNES AND WETLANDS CONSERVATION: ACQUISITION OF DOG RANCH AND THE POOVEY TRACT

Project No. 16-010-02 Project Manager: Su Corbaley

RECOMMENDED ACTION: Authorization to disburse up to \$673,350 to the Humboldt Bay Harbor, Recreation and Conservation District to acquire 366 acres of coastal dune and wetland habitat on the north spit of Humboldt Bay, Humboldt County.

LOCATION: Between the communities of Samoa and Manila on the north spit of Humboldt Bay, Humboldt County

PROGRAM CATEGORY: Reservation of Significant Coastal Resources

EXHIBITS

Exhibit 1: Project Location Maps

Exhibit 2: Site Photos

Exhibit 3: Project Letters

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31350 - 31356 of the Public Resources Code:

"The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed six hundred seventy-three thousand, three hundred fifty dollars (\$673,350) to the Humboldt Bay Harbor, Recreation and Conservation District (the District) to acquire approximately 366 acres of coastal dune and wetland habitat, consisting of Humboldt County Assessor Parcel Numbers 401-011-010, 401-011-012, 401-011-018, 401-011-023, 401-021-011, 401-021-018, 401-021-027, 401-011-020, 401-011-001, 401-021-028, 401-021-029, and 401-031-045, as shown on Exhibit 1 to the accompanying staff recommendation, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the District shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):

- a. All relevant documents for the acquisition including, without limitation, the appraisal, purchase and sale agreement, deed, escrow instructions, environmental or hazardous materials assessment, and title report;
- b. Evidence that sufficient funds are available to complete the acquisition.
- 2. The District shall prepare a baseline conditions report and a monitoring and reporting plan for review and approval of the Executive Officer.
- 3. The District shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
- 4. The property acquired under this authorization shall be held, managed and operated for wildlife habitat protection and enhancement, open space preservation and public access. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
- 5. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property, the design and placement of which has been reviewed and approved by 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 authorization is consistent with Chapter 8 of Division 21 of the Public Resources Code, regarding reservation of significant coastal resources.
- 2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines."

PROJECT SUMMARY:

Staff is recommending the Conservancy authorize the disbursement of up to \$673,350 to the Humboldt Bay Harbor, Recreation and Conservation District (the District) to acquire approximately 366 acres of coastal dune and wetland habitat (the property) on the North Spit of Humboldt Bay. The Samoa Dunes and Wetlands Conservation Project will preserve a significant bay-to-beach stretch of land between Humboldt Bay and the Pacific Ocean in Humboldt County and protect it in perpetuity for open space and wildlife habitat, and recreation and education uses. The property is located near the town of Samoa on the north spit of Humboldt Bay and will add to nearly 1,300 acres of contiguous publicly protected dunes along a 3-mile stretch of the Coast (Exhibit 1). The conservation of these properties will promote the recovery of the coastal dune ecosystem, while also offering additional opportunities for education and passive recreation on the coast. The property consists of two tracts of land locally known as Dog Ranch (approximately 206 acres) and the Poovey Tract (approximately 160 acres).

Acquisition will protect unique coastal dune habitat including approximately 81 acres of wetlands, 84 acres of open dunes, and 139 acres of coniferous forest. The wetland, riparian and forest areas provide connectivity between habitat types on the north spit where several rare, threatened, endangered and protected species are known to occur. These species include the Humboldt Bay wallflower, beach layia, California Red-legged frog, Peregrine falcon, and numerous waterfowl and shorebirds that travel the Pacific Flyway and use the property and adjacent bay for rest and forage. The project area also includes the southern-most extent of threatened and declining Beach pine-Sitka spruce forest in the Pacific Northwest. Beach pine-Sitka spruce stands are uncommon along the southern Oregon and northern California coast, and are considered rare in California.

This acquisition has immense public support. For nearly 20 years, both public and private conservation, recreation and education organizations, including the Conservancy, have wished to protect the conservation values of the property and make it available for wildlife viewing, hiking and restoration. In 2005, the Conservancy awarded acquisition funds to Friends of the Dunes to acquire the Poovey Tract, but that acquisition attempt was unsuccessful, and the funds were disencumbered.

In late 2014, the current owner listed the Poovey Tract and the Dog Ranch for sale on the open market. Since 2016, the Conservancy and a stakeholder group have commissioned an appraisal, and worked towards identifying acquisition funding and a land manager for the property. The stakeholder group includes the California Department of Fish and Wildlife, and Wildlife Conservation Board, the private landowner, the Bureau of Land Management, the U.S. Fish and Wildlife Service, the Wiyot Tribe, the Friends of the Dunes and the District. In 2017, the District agreed to step forward as the land management agency, and the Conservancy and the District have successfully identified matching funds for the acquisition. The District was recently awarded a grant from the California Natural Resources Agency Environmental Enhancement and Mitigation Program for the project. Wildlife Conservation Board staff, supported by a recommendation from the California Department of Fish and Wildlife, expects to seek funding authorization from its board later in 2018. The proposed Conservancy funds will complete the funding for the acquisition. The acquisition is expected to be completed in early 2019.

If it is sold on the open market, the property could be subdivided into as many as 6 parcels and potentially developed with houses, or sold to several separate private owners and the habitat would be fragmented. The time is now to secure the land before it is sold for non-public-benefit uses.

Site Description: The property is located on the north spit of Humboldt Bay between the towns of Manila and Samoa (Exhibit 1). The property is bounded on the west by one mile of Pacific Ocean coastline and on the east by Humboldt Bay. It includes approximately 81 acres of wetlands consisting of 9 acres palustrine shrub, 56 acres palustrine forested, and 16 acres estuarine emergent wetland; 84 acres of open dunes; and 139 acres of coniferous forest including declining and rare Beach pine-Sitka spruce forest. The property provides habitat for numerous rare, threatened, endangered and protected species. These include such plants as Humboldt Bay wallflower, beach layia, dark-eyed Gilia and American glehnia; forest mammals such as the rare

White-footed Vole; neotropical bird migrants including Swainson's thrush and Osprey; amphibians Red-legged Frog and Pacific Tree Frog; and numerous waterfowl and shorebirds. The property is located along the Pacific Flyway and its riparian and seasonal pond habitats and estuarine wetlands provide important foraging and resting habitat for migratory bird species. The forested uplands provide nesting and forage habitat for large predatory birds such as Bald Eagle, Osprey and Prairie Falcons.

The complex of wetlands and adjacent uplands of the property and surrounding area provide a large block of complementary coastal habitats that collectively function to serve wildlife. These areas are dominated by herbaceous species, including a mixture of native and non-native plants, forest and wetlands. Seasonal ponding occurs on the property during the long rainy season, and the wetlands remain lush late into the spring as a result of the cool, moist climate that extends into the summer months. Approximately 16 acres of estuarine wetlands occur along the edge of Humboldt Bay where waterfowl and shorebirds feed and rest during migration. The mature coastal coniferous forests in the uplands are characterized by stately Sitka spruce trees, Beach pines, and stands of Douglas fir. A large stretch of dunes occurs throughout the western extent of the property. Seasonal dune swales typical of dune complexes on the coast of northern California provide wildlife habitat and groundwater recharge. The only structures on the property are an abandoned single-family residence and corral fencing on Dog Ranch, and dilapidated out buildings on the Poovey Tract. See Exhibit 2 for images of the property.

Grantee Qualifications: The District is a county-wide special district with permit jurisdiction over all tide, submerged and other lands granted to the District, including all of Humboldt Bay. It was created by the state legislature in 1970 and approved by the Humboldt County electorate in 1973 to oversee development of harbors in Humboldt Bay for benefit of the public. Among its statutory purposes is the protection of natural resources, which is consistent with the purposes of the proposed project. The District owns, operates and maintains several properties on Humboldt Bay for the purposes of resources conservation and recreation, including three wildlife areas: the Gerald O. Hansen Wildlife Area on Woodley Island, the King Salmon restoration area, and the Park Street wetland at Eureka Slough. Thus the District has the necessary experience and resources to own and operate the property and provide oversight and monitoring/maintenance.

The Conservancy has funded several projects that involve the District. In the early 2000s, the District completed the Humboldt Bay Management Plan, a comprehensive plan to protect, restore and enhance wetland resources in Humboldt Bay. In 2005, the District prepared engineering feasibility studies, environmental and permitting documents for upgrade to the breakwater in Shelter Cove in southern Humboldt County. The District is helping the community prepare for sea level rise in Humboldt Bay. In 2011 it convened a working group to conduct the Conservancy-funded Humboldt Bay Sea Level Rise Vulnerability Assessment and in 2012, using the findings from the assessment, prepared a plan that identifies projects to preserve environmental and economic resources in the face of sea level rise.

Project History: In 2005, the Conservancy authorized a grant to Friends of the Dunes to acquire the Poovey Tract for the purposes of preserving open space, protecting natural resources and providing public access. Friends of the Dunes and the Conservancy were in the process of

negotiating terms of the acquisition when, in 2006, the seller of the Poovey Tract suddenly sold the property to the current owner. Though the Poovey Tract had been used by the public for years for casual hiking and beach access, the new owner prohibited public use. Around the same time, Dog Ranch, which had been owned by Simpson Timber Company for years, was sold to its current owner. As with the Poovey Tract, the owner prohibited public use of the Dog Ranch. The 366-acre property has remained fenced and inaccessible for use by the public for approximately 12 years.

Over those years, local conservation groups and agencies have kept abreast of conservation opportunities. In 2015, the current owner listed the property for sale on the open market. The U.S. Fish and Wildlife Service contacted the Conservancy and other stakeholders, and a group was convened to collaborate on the acquisition of the property. Since then, the Conservancy has led the effort to work with the seller and the buyer to work out terms of the sale, and to identify funding opportunities to acquire the property. In 2017, the District applied for, and in March 2018 was awarded, an Environmental Enhancement and Mitigation Program grant from the California Natural Resources Agency. Conservancy staff has worked with the Wildlife Conservation Board to assist the District to apply for additional grant funds for the acquisition. WCB staff expect to recommend funding for the acquisition in winter 2018/19.

PROJECT FINANCING

Coastal Conservancy	\$673,350
Wildlife Conservation Board (pending)	\$700,000
California Natural Resources Agency	708,648

Project Total \$2,081,998

Conservancy funding for the acquisition is expected to come from the Conservancy's FY 2014 appropriation from the Habitat Conservation Fund ("HCF") (under the "California Wildlife Protection Act of 1990," Fish & Game Code sections 2780—2799.6). The Conservancy may use HCF funds for the acquisition of habitat to protect rare, endangered, threatened, or fully protected species and the acquisition, enhancement, or restoration of wetlands (Fish & Game Code sections 2786(b) & (d)). Acquisition of the property is an appropriate use of HCF funds as it will protect numerous rare, endangered, threatened, and protected species as well as wetlands. As required by the HCF, it is contemplated that access will be provided to the extent that it does not interfere with protection of habitat on the properties. (Fish & Game Code section 2799.5).

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The project will be undertaken pursuant to Chapter 8 of the Conservancy's enabling legislation, Public Resource Code Sections 31350-31356, regarding reservation of significant coastal resource areas.

The proposed acquisition of property interests is consistent with the legislative intent expressed in section 31350 because the project will help to acquire and protect key coastal resource lands

that would otherwise be lost to public use through potential subdivision or sale to private buyers. Consistent with Section 31351(a), this project is the result of Conservancy cooperation with the District, a public agency, and will ensure the reservation of real property interests for wildlife habitat protection, and recreational uses, all of which meet the policies and objectives of the Coastal Act.

Section 31352 states that in the event any public agency or nonprofit organization is unable, due to limited financial resources or other circumstances, to acquire, hold, protect, or use an interest in real property for a purpose provided in §31351, the Conservancy may award a grant to a public agency or nonprofit organization and provide technical assistance required to aid the public agency or nonprofit organization in completing the acquisition or related functions. Consistent with this section, the Conservancy will assist the District in acquiring the property because of the District's limited financial resources and the significant costs of this property due to its development potential.

Thus, the proposed funding authorization is consistent with Chapter 8 in that it protects a key coastal property that otherwise would be lost to public use; the acquisition serves several purposes of Division 21; and it protects important wildlife habitats, open space and recreation consistent with the policies and objectives of the California Coastal Act.

CONSISTENCY WITH CONSERVANCY'S <u>2018-2022 STRATEGIC PLAN</u> GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 2, Objective B** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will open one new coastal area to the public.

Consistent with **Goal 5**, **Objective A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect 366 acres of significant coastal resources.

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 proposed acquisition is consistent with the following state plans and policies:

• California @ 50 Million: The Environmental Goals and Policy Report (Governor's Office of Planning and Research, (2015), Key Action #6 of the "Preserve and Steward"

State Lands and Natural Resources" section which calls for building resilience into natural systems and prioritizes natural and green infrastructure solutions;

- California Wildlife Action Plan, 2015 Update by furthering the following statewiderecommended actions: d) state and federal agencies should work with cities and counties to secure sensitive habitats and key habitat linkages; and g) federal, state, and local agencies and nongovernmental conservation organizations, working with private landowners and public land managers, should expand efforts to restore and conserve riparian communities. In addition, recommended actions for the marine region include: d) the state should increase efforts to restore coastal watersheds;
- Coastal Act (1976) Public Resources Code Section 30240 which requires environmentally sensitive habitat areas be protected against any significant disruption of habitat values.
- 4. **Support of the public:** Support letters are included in Exhibit 3.
- 5. **Location:** The proposed project is located within the coastal zone of Humboldt County, on the north spit of Humboldt Bay between the towns of Manila and Samoa.
- 6. Need: The Conservancy grant is crucial to leveraging several potential funding partners for the acquisition project, including the grant already secured by the California Natural Resources Agency and the Wildlife Conservation Board's upcoming funding consideration.
- 7. **Greater-than-local interest:** The project is adjacent to over 1,300 acres of a publicly protected coastal dune system, which attracts visitors come from around the world. The project is of statewide significance because of the landscape-level linkages, biodiversity conservation and sensitive species habitat.
- 8. **Sea level rise vulnerability:** The project is located in an area vulnerable to sea level rise due to its location at the edge of Humboldt Bay and the Pacific Ocean. Protecting the property from development will ensure that the wetlands will absorb and diffuse floodwaters and reduce flooding of the adjacent roadways.

Additional Criteria

- 9. **Urgency:** The property is currently listed for sale on the open market, and while the owner has been understanding of the process necessary to secure funding for acquisition, he is eager to divest the properties. Until all funds are secured, the property remains at risk of sale to another private owner.
- 10. Resolution of more than one issue: Acquisition of the property will protect rare and declining habitat types from private development and provide new opportunities for public access.
- 11. **Leverage**: See the "Project Financing" section above.
- 12. **Readiness**: The District and the seller have negotiated terms and conditions of sale and transfer. The District has secured one-third of the of the funds necessary to acquire the property; all remaining funds are expected to be secured by January 2019. The District is ready to complete the transaction as soon as possible thereafter.

- 13. **Realization of prior Conservancy goals**: See "Project History" above.
- 14. **Return to Conservancy**: See the "Project Financing" section above.
- 15. **Cooperation**: The project is the result of years of collaboration with the California Department of Fish and Wildlife, US Fish and Wildlife Service and Bureau of Land Management, the federally recognized Wiyot Tribe, the County of Humboldt, the nonprofit organization Friends of the Dunes, and recently the District. Once acquired the District will monitor the property to control against illegal encampments, and Friends of the Dunes will provide guided nature interpretive walks.
- 16. Vulnerability from climate change impacts other than sea level rise: Climate change other than sea level rise may threaten plant and wetland habitats. Several neotropical bird species rely on open scrub and forest lands for feeding, nesting, and protection from predators. The north spit of Humboldt Bay provides important feeding and nesting grounds for migratory birds yet shifting climate conditions may impact the loss of these habitats stressing plant communities and bird populations during critical life stages such as migration, nesting and rearing, for which these large wildlife corridors are critical. Preserving the standing Sitka spruce forest, the southern extent of the Pacific Northwest forest, will maintain canopy for birds and forage for mammals.

CEQA COMPLIANCE:

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 habitat and public access, and 15325 as a transfer of an interest in land to preserve open space and existing natural conditions, including habitat. Section 15313 includes acquisitions for the purpose of "(c) preserving access to public lands and waters where the purpose of the acquisition is to preserve the land in its natural condition." Section 15325 explicitly exempts acquisitions to allow restoration of natural conditions, to prevent encroachment of development into flood plains, and to preserve open space or lands for park purposes (Section 15325, subsections (c), (d) and (f)). The acquisition purpose is consistent with these sections.

Upon approval, staff will file a Notice of Exemption.