

COASTAL CONSERVANCY

Staff Recommendation  
December 19, 2019

**CASCADE CREEK (HOLMES) ACQUISITION**

Project No. 19-031-01  
Project Manager: Hilary Walecka

**RECOMMENDED ACTION:** Authorization to disburse up to \$2,500,000 to Save the Redwoods League to acquire the 554-acre Cascade Creek (Holmes) Property in northern Santa Cruz County.

**LOCATION:** Cascade Creek in unincorporated Santa Cruz County, adjacent to Año Nuevo State Reserve and Big Basin Redwoods State Park

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

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EXHIBITS

Exhibit 1: [Location and Site Maps](#)

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 Chapter 5.5 of Division 21 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two million five hundred thousand dollars (\$2,500,00) to Save the Redwoods League (“the grantee”) to acquire 554 acres at Cascade Creek in northern coastal Santa Cruz County (consisting of Santa Cruz County Assessor Parcel Numbers 057-051-05 and 057-051-06; collectively the “property”) for natural resource protection, open space preservation, and public access, subject to the following conditions:

1. Prior to the disbursement of funds for the acquisition, the grantee shall submit for the review and approval of the Executive Officer of the Conservancy (Executive Officer):
  - a. All relevant acquisition 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. A baseline conditions report; and
  - c. Evidence that sufficient funds are available to complete the acquisition.
2. The grantee shall pay no more than fair market value for the property, as established in an appraisal approved by the Executive Officer.
  3. The property shall be managed and operated for natural resource protection, open space preservation, and public access. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
  4. Conservancy funding shall be acknowledged by erecting and maintaining a sign on the property or in a nearby publicly-viewable area, the design and location of which are to be 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 5.5 of Division 21 of the Public Resources Code, regarding Integrated Coastal and Marine Resource Protection.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.
3. The Save the Redwoods League is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code, and whose purposes are consistent with Division 21 of the Public Resources Code.”

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**PROJECT SUMMARY:**

Staff recommends the Conservancy authorize the disbursement of up to \$2,500,000 to Save the Redwoods League to acquire the 554-acre Cascade Creek (Holmes) Property in northern, coastal Santa Cruz County (the property). The property comprises Santa Cruz County Assessor Parcel Numbers 057-051-05 and 057-051-06. The proposed acquisition would protect one of the most significant old-growth and mature second-growth coast redwood properties currently remaining in private ownership in the Santa Cruz Mountains.

For decades, the property has been of interest to the conservation community as it includes approximately 50 acres of old-growth coast redwoods (some over 500 years old) and is a critical inholding in an extensive network of 35,000 acres of contiguous protected lands. The property serves as a valuable link in a wildlife corridor from the coast to inland redwood forests, specifically from the wildlife preserves at Año Nuevo State Reserve to Big Basin Redwoods State Park (Exhibit 1). In addition, the property includes suitable habitat for sensitive species including the endangered marbled murrelet, over 1.8 miles of creeks draining to the Pacific Ocean, unique “chalks” or Santa Cruz Mudstone outcroppings, trail connections to adjacent parklands, and spectacular ocean views in this iconic region of the California coast.

Unprotected, the risk of development for this property is high. The property is less than a mile from Highway One between Pescadero and Davenport and in close proximity to Silicon Valley and the San Francisco Bay Area, where housing is at a premium. The property's zoning allows for residential development and timber harvest. Given the property's location and sweeping coastal views, protection of the property is needed before it is converted to luxury homes and/or sold for aggressive timber harvest.

After several years of ongoing conversations with the landowners, Save the Redwoods League has finally secured an option agreement to purchase Cascade Creek property at a bargain sale price and expects to close on the property no later than November 2020. Save the Redwoods League's long-term goal is to transfer the property to California State Parks, as the property is contiguous with Big Basin Redwoods State Park and Año Nuevo State Reserve. Until then, Save the Redwoods League will own and manage the property for natural resource and open space protection and limited public access. No forestry will be conducted on the property outside of any restoration efforts, and the public will be able to take docent-led tours to access the property. The Amah Mutsun Land Trust is partnering on the project and will conduct an archaeological survey, ethnobotanical survey, and vegetation mapping relating to ancestral history of the property.

The Conservancy has protected approximately 911 acres of land adjacent to the property at Cascade Ranch, and this missing piece would complete the vision to protect the entire Cascade Creek watershed. Long-term conservation of this property will eliminate threat of development and ensure that the property is safeguarded for its wildlife habitat for sensitive species, connectivity for climate change adaption, carbon sequestration benefits, water quality protection, scenic coastal beauty, and long-term public access.

**Site Description:** The 554-acre property is located in the Santa Cruz Mountains at the Santa Cruz-San Mateo County border. The property is located less than a mile east of Highway 1 along the western flank of Chalk Mountain. A rugged, forested site that spans from 360' to 1450' in elevation, the Cascade Creek property is home to approximately 50 acres of old-growth and mature second-growth redwoods, and has sweeping coastal views. The property sits within 35,000 acres of contiguous protected areas and public lands including Año Nuevo State Reserve, Big Basin Redwoods State Park, and Butano State Park.

The property is within the Cascade Creek watershed, a subwatershed of the Año Nuevo Watershed. All of the other land within the Cascade Creek watershed is protected for open space, habitat, and public recreation. The property contains approximately 1.1 miles of Cascade Creek and 0.7 miles of two other unnamed creeks, which all flow through Año Nuevo State Reserve out to the Pacific Ocean. The riparian corridors are lined with old-growth and mature second-growth redwoods and provide important habitat for a variety of species. However, because a natural falls along Cascade Creek creates a fish barrier, these creeks are not used by salmon or steelhead. There is an existing trail leading 1 mile up Cascade Creek. The property also includes approximately 1.5 miles of Chalks Rd, a fire road leading to miles of trails on adjacent public lands. There are no structures on the property.

Logging last occurred on the property in the late 1980s, which selectively harvested around one-third of the property. The old-growth trees that remain are located primarily along the riparian corridor of Cascade Creek and within the steep upper reaches of the property, which was difficult for loggers to access. These old-growth coastal redwoods are interspersed with very healthy, mature second-growth redwoods. Recent measurements taken to analyze the tree's age and history found the first four trees measured were between 420 and 528 years old.

In addition to old-growth redwood and riparian habitat, the property supports douglas-fir forest, chaparral, and unique "chalks" (Santa Cruz Mudstone) outcroppings where pine, manzanita, and madrone grow. Given this diversity, the property supports suitable habitat for a plethora of wildlife species found in the nearby area, including mountain lion, peregrine falcon, golden eagle, endangered salamander, sensitive bat species, red-legged frog, and San Francisco garter snake. The property also contains suitable habitat for the marbled murrelet, a very unique and endangered species of seabird that nests in redwood trees. The Santa Cruz Mountains supports one of the smallest and most isolated of all murrelet populations (estimated at less than 1,000 birds). Although no surveys have been conducted to identify the presence of marbled murrelets on the property, Save the Redwoods League intends to install acoustic monitors to identify if they use the property to inform future stewardship activities to ensure that birds are not disturbed during nesting season.

**Grantee Qualifications:** Since 1918, Save the Redwoods League has been dedicated to the long-term preservation, restoration, and stewardship of healthy redwood ecosystems; supporting scientific research to expand knowledge of the forest's ecosystem; and connecting people with the peace and beauty found in these forests so these wonders of the natural world flourish. Over the past 101 years, the League has protected more than 200,000 acres of land (worth more than \$4 billion in today's dollars) and helped create 66 parks and reserves. With a total annual operating budget of \$32,562,363 (FY19-20), including a permanent stewardship endowment, Save the Redwoods League has the fiscal capacity and expertise to protect this property.

The Conservancy and Save the Redwoods League have collaborated on a number of significant conservation projects over the last 20 years in the Santa Cruz Mountains including the recent protection of 8,532 acres at the Cemex Redwoods property in Santa Cruz County and acquisition of 80 acres of old-growth forest lands, now a part of Butano State Park in San Mateo County.

**Project History:** Save the Redwoods League first encountered the Cascade Creek (Holmes) property in the late 1970s, and over the next decade, conversations about the property included Sempervirens Fund, California State Parks, and the Conservancy.

In 1985, the Conservancy, California State Parks, and The Trust for Public Land acquired 4,073 acres of the adjacent Cascade Ranch, with much of it becoming the eventual Año Nuevo State Park. The proposed acquisition would be the missing piece in the vision the Conservancy has been a part of to protect the entire Cascade Creek Watershed.

After several decades and ongoing conversations with the landowner, Save the Redwoods League has finally secured an option agreement to purchase the property and anticipates closing on the

property as soon as public and private funding is raised (no later than November 2020). Save the Redwoods League expects to hold and steward this property for several years until it can be transferred to California State Parks. This project builds on the Save the Redwoods League's previous work adding 2,310 acres to Big Basin Redwoods State Park and 2,390 acres to Año Nuevo State Park.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$2,500,000</b>
Save the Redwoods League (pending)	\$2,250,000
Gordon and Betty Moore Foundation	\$2,250,000
Peninsula Open Space Trust	\$2,000,000
<b>Project Total</b>	<b>\$9,000,000</b>

Conservancy funds for the acquisition of the Cascade Creek property are expected to come from an appropriation to the Conservancy from the California Drought, Water, Climate, Coastal Protection, and Outdoors Access for All Act of 2018, California Public Resources Code Sections 8000-80173 (Proposition 68). Pursuant to Section 80120(e), the Conservancy may provide grants for projects that protect, restore, or improve coastal forest watersheds, including redwood forests and other forest types. This project is an eligible project type pursuant to Section 80120(e) as the property provides habitat for fish and wildlife and protects coastal forest health.

The proposed acquisition is consistent with the funding guidelines for expenditure of Proposition 68 adopted by the Conservancy on December 6, 2018 (Guidelines) as described in various sections of this staff recommendations. (See Pub. Res. Code section 80010).

The 554-acre property was appraised at \$10,185,000 in December 2018, including the land value of \$7,761,600 and timber value of \$2,425,000. The landowner has agreed to provide a land value donation of \$1,185,000 for a total purchase price (bargain sale) of \$9,000,000.

The Gordon and Betty Moore Foundation is contributing \$2,250,000 toward the acquisition cost and Peninsula Open Space Trust (POST), also aware of the conservation value of this property for many years, has committed \$2,000,000 toward the purchase price. Save the Redwoods League has secured a \$1,000,000 major gift toward the purchase price, with additional verbal commitments totaling \$1,150,000 from three individual donors. The remaining \$100,000 to be directed toward the purchase price is expected to be raised as part of Save the Redwoods League's 100<sup>th</sup> anniversary celebration comprehensive campaign that will be launched in January 2020, with Cascade Creek to be featured as a current highlight of work in the Santa Cruz Mountains. The Save the Redwoods League has also secured a \$50,000 grant from Resources Legacy Fund toward pre-acquisition and stewardship costs.

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

The proposed authorization is consistent with the purposes and objectives of Chapter 5.5 of Division 21 of the Public Resources Code, regarding improving and protecting coastal and marine water quality and habitats (Section 31220). Section 31220(a) permits the Conservancy to provide grants for coastal watershed and coastal water quality protection projects, if the projects meet one or more of the objectives detailed in Section 31220(b). Pursuant to Section 31220(b)(2), the Conservancy is authorized to undertake a project or award a grant for a project that protects fish and wildlife habitat in a coastal watershed. The Cascade Creek acquisition will protect 554 acres of redwood forest, douglas-fir, chaparral, and riparian habitat from development that could degrade the coastal Cascade Creek watershed.

As required by Section 31220(a), the Conservancy has consulted with the State Water Resources Control Board to ensure consistency with Section 30915 of Chapter 3 of Division 20.4 of the Public Resources Code regarding the Clean Beaches Program. As required by Section 31220(c), the project is consistent with an Integrated Watershed Management Program. See "Consistency with Local Watershed Management Plan" section, below. Also as required by Section 31220(c), the project will include a monitoring and evaluation component consistent with Conservancy's acquisition monitoring requirements, which requires the property owner to periodically report on the condition of the property when requested by the Conservancy in perpetuity.

**CONSISTENCY WITH CONSERVANCY'S [2018-2022 STRATEGIC PLAN](#)  
GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 5, Objective 5A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect 554 acres of significant coastal and watershed resource properties on the Central Coast.

Consistent with **Goal 5, Objective 5C** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will preserve critical wildlife corridors between core habitats areas at Año Nuevo State Reserve to inland habitat at Big Basin Redwoods State Park.

**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:**
  - *California @ 50 Million: The Environmental Goals and Policy Report (2015):* The project advances goals of stewarding and protecting natural and working landscapes by supporting landscape-scale approaches to conservation with multiple benefits and prioritizing watershed protection in ecosystem management. In addition, the project promotes Pillar 5 in “stewarding natural resources, including forests, to ensure that they store carbon, are resilient, and enhance other environmental benefits”, and advances the Development Goal to reduce land consumed for development.
  - *CA Wildlife Action Plan (2015 Update):* The project advances all statewide subgoals under “Goal 1: Abundance and Richness” and “Goal 2: Enhance Ecosystem Conditions”. The project also specifically implements goals in the Central Coast Province by protecting riparian Forest and Woodland habitat native species, including suitable habitat for listed species within the plan such as marbled murrelet, California red-legged frog, and San Francisco gartersnake.
  - *California Water Action Plan (2016 Update):* Action 4 of this plan is to “protect and restore important ecosystems”, includes “restoring coastal watershed to restore ecological health and natural system connectivity”. The proposed project protects Cascade Creek watershed from future degradation.
  - *CA Climate Adaptation Strategy/Safeguarding California (2018 Update):* The project implements Biodiversity Goal B-2 to “enhance habitat connectivity and protect climate refugia through strategic acquisition and protection activities”; Forests Goal F-2.4 to “increase the acreage of forestland protected with a focus on large, relatively intact landscapes that can provide habitat for diverse species and prevent future development”; and Forest Goal F-4.2 to “protect relatively intact forest landscapes and maintain and enhance connectivity among them to support species movement in response to changing climate conditions”.
  - *Recovery Plan for the Marbled Murrelet (US Fish and Wildlife Service 1997):* The project implements the recovery plan by protecting a large block of terrestrial habitat including stands of mature redwoods.
4. **Support of the public:** The project is supported by Peninsula Open Space Trust (POST), California State Parks, Amah Mutsun Land Trust, State Senator Bill Monning, Assemblymember Mark Stone, Steve Blank (Cascade Ranch Historic Farm), and Gary Strachan (former Supervising Ranger at Big Basin Redwoods State Park) (Exhibit 3).
5. **Location:** The proposed project would be located within the coastal zone of Santa Cruz County.

6. **Need:** Old-growth redwood forest is rare in the Santa Cruz Mountains as about 94 percent of the original old-growth forest has been lost to logging. The Cascade Creek property includes 50 acres of selectively harvested old-growth coast redwoods (some over 500 years old) and if not acquired, the property faces threat of development. Without Conservancy support, a delay would occur in exercising Save the Redwood League's option to purchase the property, and could result in the loss of this long-term conservation opportunity that has been four decades in the making.
7. **Greater-than-local interest:** Privately-owned old-growth redwood properties of any substantial acreage are rare in the Santa Cruz Mountains and conserving the Cascade Creek property ensures this critical and unique habitat that supports a myriad of endangered and special status species is protected in perpetuity. In addition, the property connects to more than 35,000 acres of contiguous open spaces, providing wildlife habitat and corridors that enable movement and adaptation to climate change impacts.
8. **Sea level rise vulnerability:** Although the Cascade Creek property is located less than a mile east from Highway One and thus is very close to the coastal shoreline (approximately 1.7 miles), the property's lowest reaches are 360 feet above sea level and consequently is not projected to be vulnerable to sea-level rise within the next 100 years.

#### **Additional Criteria**

9. **Resolution of more than one issue:** The project would serve numerous goals including protecting the natural and scenic beauty of the coast; safeguarding water quality; enhancing wildlife habitats; helping people enjoy parklands; and maintaining the carbon sequestration capacity provided by old-growth coast redwoods.
10. **Leverage:** See the "Project Financing" section above.
11. **Readiness:** Save the Redwoods League has secured funding commitments and anticipates closing on the property no later than November 2020.
12. **Realization of prior Conservancy goals:** See "Project History" above.
13. **Cooperation:** This project can move forward because of the cooperative relationship that exists at the present time between Save the Redwoods League, POST, Amah Mutsun Land Trust, and the Holmes family.
14. **Vulnerability from climate change impacts other than sea level rise:** The protection of the Cascade Creek property will result in the overall reduction of risks associated with climate change, by leaving the land in its natural state rather than heavily harvesting the timber and/or developing up to eight lots on the property. This will enable wildlife connectivity and movement as part of climate change adaptation.
15. **Minimization of greenhouse gas emissions:** The property is not expected to result in the production of greenhouse gas emissions. In fact, old-growth redwood forests play a vital role in combating climate change through carbon storage as old-growth coast redwoods sequester more carbon than any other tree on Earth. Long-term protection of this property



will help to maintain these trees' sequestration benefits. There are no plans in place to seek carbon credits for activities on this property.

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

Projects authorized pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with an Integrated Watershed Management Program, local watershed management plans, or water quality control plans adopted by the state and regional water boards.

This project is consistent with the *Santa Cruz Integrated Regional Water Management Plan* for the Santa Cruz Region (updated in 2014) as it consists of acquisition of open space and watershed lands within the Año Nuevo Watershed, which includes the smaller Cascade Creek watershed. The project fulfills the 3<sup>rd</sup> functional objective of the plan for Watershed Resources, which is to increase the habitat quality and quantity of critical aquatic ecosystems, including streams. The property contains 1.1 miles of Cascade Creek and 0.7 miles of two other unnamed creeks that are lined primarily with old-growth and mature second growth coast redwoods along the riparian corridors. A high priority strategy identified for this functional objective is to restore the riparian zone through acquisitions or easements. Acquisition of the property will protect the riparian corridor habitat and eliminate the threat of future water quality impacts from potential timber harvest or residential development, including sedimentation from erosion/roads or potential discharge of pathogens such as fecal coliform.

**CEQA COMPLIANCE:**

The proposed acquisition of the property is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations (CCR) Section 15325, as a transfer of ownership of land to preserve open space and habitat. Section 15325(a) states that this exemption includes the acquisition of land to preserve existing natural conditions, including plant and animal habitats. The property, which is undeveloped, except for prior logging, and is in a natural condition, currently provides habitat for rare, endangered, and unique species, and once acquired the property will be protected from human impact and potential development that could damage sensitive natural resources.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.