

COASTAL CONSERVANCY

Staff Recommendation
March 25, 2021

**HAMILTON WETLANDS RESTORATION PROJECT
IMPLEMENTATION**

Project No. 94-003-01
Project Manager: Jeff Melby

RECOMMENDED ACTION: Authorization to disburse up to \$2,474,600 to the U.S. Army Corps of Engineers to complete implementation of the Hamilton Wetlands Restoration Project in Novato, Marin County.

LOCATION: Southeast Novato, along the western margin of San Pablo Bay, Marin County

EXHIBITS

Exhibit 1: [Project Location Map](#)

Exhibit 2: [Chronology of Past Coastal Conservancy Actions](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings:

Resolution:

The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed two million four hundred seventy-four thousand six hundred dollars (\$2,474,600) to the U.S. Army Corps of Engineers (“the grantee”) to complete implementation of the Hamilton Wetlands Restoration Project in Novato, Marin County.

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 4.5 of Division 21 of the Public Resources Code regarding restoration and enhancement of natural habitats in the San Francisco Bay Area and public access improvements to and around the Bay.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria and Guidelines.

PROJECT SUMMARY:

Staff recommends the Conservancy authorize disbursement of an amount not to exceed \$2,474,600 to the U.S. Army Corps of Engineers (“Corps”) to complete implementation of the Hamilton Wetlands Restoration Project (“the Project”) in Novato, Marin County (see Exhibit 1). The Project is being implemented under a Project Cooperation Agreement between the Conservancy and the Corps, which requires a non-federal cost-share.

The Project consists of restoring the former Hamilton Army Airfield site to tidal and seasonal marsh habitat. In 2003 the Conservancy took title to the property, and in 2014 the Corps restored approximately 660 acres to tidal action, demonstrating beneficial use of dredged sediment on a large scale, and constructed 2.7 miles of the San Francisco Bay Trail. Final actions supported by this authorization include completing the plantings, monitoring, and adaptive management. This funding authorization will complete the non-federal cost-share for these project elements, which is anticipated to conclude in FY26/27.

Specifically, the following activities will be conducted:

- Annual project monitoring and methyl mercury sampling: Monitor and sample through the remainder of the 13-year monitoring and adaptive management phase, 2014–2026, as required by project permits.
- Berm Repairs: North Seasonal Wetlands berm repairs to address settling and erosion.
- Adaptive Management: Develop a plan, and conduct activities including South Seasonal Wetland and other berm repairs as needed.
- Project Operations and Maintenance Manual development: Corps will prepare manual for managing the wetland and submit this to Conservancy for implementation.

Corps labor costs are included in the budget and cost-shared. Conservancy labor costs for project coordination are also cost-shared and have been factored into the Conservancy’s remaining cash obligation.

Note that the Hamilton wetlands are part of the larger “Hamilton-Bel Marin Keys” restoration project. The Hamilton site is adjacent to the Bel Marin Keys Unit V (“BMK”) property, which was included in the original 1996 planning effort as a future restoration phase. In 2000, the Conservancy authorized acquisition of the BMK property, and in 2019 funded construction of a new bayfront levee with seasonal wetlands on the inland side (Phase I of the restoration). Phase II will consist of the tidal marsh restoration component. The BMK restoration activities will be added to the Project Cooperation Agreement, but the cost-share is tracked separately, and staff anticipate requesting Conservancy authorization for funds to fulfill BMK Phase II obligations at a future date.

Completing the Hamilton-Bel Marin Keys wetlands restoration project is a priority for the following reasons. About 80% of the tidal marshes in the San Francisco Bay estuary were lost between 1800 and the late 1990s due to diking and filling. These habitats provide critical

ecosystem services such as improved protection against floods and sea level rise (acting as a giant natural buffering sponges); improved water quality (acting as natural filters that trap nutrients, sediment, and pollutants); improved fishery habitat (providing nursery areas, food, shelter); recreational, stewardship, and educational opportunities; and decreased need for costly traditional levee infrastructure. Wetland restoration is a direct and needed response to the current climate crisis, and the 2015 “Baylands Ecosystem Habitat Goals Science Update” recommends that the number and scale of wetland restoration sites in the San Francisco Bay Area dramatically increase to keep pace with sea level rise.

Site Description: The Hamilton-Bel Marin Keys site consists of three properties located along the western edge of San Pablo Bay in Marin County totaling nearly 2,600 acres: the 644-acre former Hamilton Army Air Field, the former 18-acre Navy Ball Field, the 319-acre North Antenna Field (owned by the State Lands Commission), and the 1,585-acre BMK property. All of these properties are historic wetlands that were part of a larger tidal marsh system that extended from Corte Madera in Marin County to Vallejo in Solano County. All the property is owned by the Conservancy except for the North Antenna Field. The cost-share authorization that is the subject of this staff recommendation is for the former Hamilton Army Air Field portion of the overall site.

Grantee Qualifications: Congress authorized the Corps, under the Water Resources Development Act of 1999, to undertake the Hamilton Wetlands Restoration Project. The Water Resources Development Act of 2007 added Bel Marin Keys to the Hamilton project.

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 below.
2. **Consistency with purposes of the funding source:** See the “Project Financing” section below.
3. **Promotion and implementation of state plans and policies:**
 - **San Francisco Baylands Ecosystem Habitat Goals Report** (San Francisco Bay Area Wetlands Ecosystem Goals Project, U.S. Environmental Protection Agency, San Francisco, CA/S.F. Bay Regional Water Quality Control Board, 1999) and Science Update 2015. The report recommends the restoration and enhancement of tidal marsh in San Francisco Bay and provides recommendations to enhance the resiliency of marshes to climate change.
 - **San Francisco Estuary Comprehensive Conservation and Management Plan** (approved by the Governor and U.S. EPA Administrator in 1993, updated in 2016). Restoration of

the project site will carry out objectives and actions identified in the CCMP to protect, create, and restore habitat critical for special status wildlife, specifically through enhancement and restoration of marsh and transitional upland habitat.

- **2014 Safeguarding California: Reducing Climate Risk** update to the 2009 California Climate Adaptation Strategy which seeks to support hazard mitigation by “investing in green infrastructure and other protective structure to address sea level rise,” and recommends the state “restore and create wetlands”
 - **California Water Action Plan** (approved by the Governor in 2014), which recommends restoration of coastal wetlands.
4. **Support of the public:** The Project has the support of the partnering public agencies such as the Corps, City of Novato, and the Marin County Flood Control and Water Conservation District, as well as local environmental and conservation groups. Congressman Jared Huffman supports the project as well.
 5. **Location:** See the “Project Summary”.
 6. **Need:** The Conservancy is the non-federal sponsor under the Project Cooperation Agreement, and must provide the required cost-share to complete the project.
 7. **Greater-than-local interest:** The Project is one of the largest wetland restoration projects in the United States to beneficially use dredged sediment and is contributing to a regional goal of more than doubling the amount of tidal marsh in San Francisco Bay.
 8. **Sea level rise vulnerability** The Project involves restoration of tidal marshes, which are known to buffer wave action adding an additional measure of protection to inland communities. It is assumed that the tidal wetlands will adjust and respond to changing sea level, though this phenomenon is dependent on the supply of suspended sediment in San Pablo Bay and the rate of sea-level rise.

Additional Criteria

9. **Urgency:** Federal funding will be lost if the non-federal cost-share is not secured.
10. **Leverage:** See the “Project Financing” section below.
11. **Innovation:** The Project demonstrates beneficial use of dredged sediment on a large-scale.
12. **Readiness:** The Corps stands ready to continue these final Project activities.
13. **Realization of prior Conservancy goals:** “See “Project Summary” section above.
14. **Cooperation:** As well as participation by the Corps, the Project involves the Novato Baylands Stewards, who lead community members, school groups, and volunteers in hands-on planting and wetlands enhancement work.

PROJECT FINANCING

Cash expenditures to date

Coastal Conservancy **\$24,223,406**

Conservancy funds: \$19,123,406

Wildlife Conservation Board funds (via interagency agreement): \$5,100,000

Corps **\$88,726,324**

Cash expenditures for FFY 20/21 – 26/27 (this authorization)

Coastal Conservancy **\$2,474,600**

Corps **\$6,500,000**

Project Cash Total **\$121,924,330**

The Project Cooperation Agreement provides for a federal/non-federal cost-share of 75%/25%. The Conservancy is the non-federal sponsor and its share includes a contribution of cash, lands, and staff time for project coordination. The above table summarizes the actual cash contributions to-date and the anticipated Conservancy cash contribution for completion; the final figure may be adjusted upon final project accounting. Lands and staff time in the amount of \$4,900,998 have been credited towards the non-federal cost-share to-date, and the anticipated staff time for remaining project coordination has been factored into the final cash obligation estimate.

For full project context, note that the cost-share does not include other Conservancy contributions towards the project, such as for pre-construction work (e.g., contracts for design and engineering), insurance, and trail maintenance. These contributions have exceeded \$2M.

The Conservancy anticipates conveying the remaining required cash to the Corps in three installments, the first amount of \$1,000,000 in April 2021. Remaining amounts of \$750,000 will be conveyed in FY23/24 and approximately \$724,600 in FY26/17. Again, the final amount may be refined pending final accounting close-out adjustments by the Corps.

The anticipated funding sources are the Habitat Conservation Fund (starting with the FY20/21 appropriation to the Conservancy) and the “California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018” (Prop 68, Public Resources Code Division 46, Chapters 1-13, Sections 80000-80173).

The California Wildlife Protection Act of 1990 created the Habitat Conservation Fund to be used for, among other things, the restoration of wetlands and preservation of wildlife corridors. ([Fish and Game Code Section 2786(d)]. The Habitat Conservation Fund is therefore an appropriate source of funds for the Hamilton Wetlands Restoration Project, which is intended to restore nearly 2,600 acres of wetlands and associated habitats.

The FY18/19 appropriation to the Conservancy under Chapter 8 of Prop 68 allocates funds to the Conservancy “for the purpose of San Francisco Bay restoration in accordance with the San

Francisco Bay Restoration Authority Act” (Public Resources Code section 80110(b)(10)). The San Francisco Bay Restoration Authority Act authorizes grants for projects that will restore, protect, or enhance tidal wetlands, managed ponds, or natural habitats on the shoreline in the San Francisco Bay area; and such grants can be used for all phases of such projects, including construction, monitoring, operation, and maintenance. (Gov. Code section 66704.5.) The Hamilton Wetlands Restoration Project is consistent with the San Francisco Bay Restoration Authority Act (Gov. Code sections 66700 – 66706) because it will restore or enhance tidal, seasonal, and managed wetlands on the shoreline of San Francisco Bay. Accordingly, said project is an appropriate use of Prop 68 funds allocated for restoration of San Francisco Bay consistent with the San Francisco Bay Restoration Authority Act.

Discussion of previous funding sources and actions authorized by the Conservancy can be found in the Conservancy Board meeting archives (<https://scc.ca.gov/coastal-conservancy-board-book-archives/>) under the following dates: June 25, 2001; August 14, 2003; September 15, 2004; February 4 and May 27, 2010; and March 17, 2011.

CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:

The Project is being undertaken pursuant to Chapter 4.5 of Division 21 of the Public Resources Code (sections 31160-31165). Section 31162 authorizes the Conservancy to undertake projects in the nine-county San Francisco Bay Area to help achieve regional public access and resource goals. Consistent with this section, the Project restores critical tidal wetlands habitat and adds a section of the San Francisco Bay Trail.

Consistent with Section 311162(c), the Project assists in the implementation of the San Francisco Bay Plan, dated January 2008 (reprinted 2012), which contains policies to protect and restore marshes and mudflats: “[T]o the greatest extent feasible, the Bay’s tidal marshes, tidal flats, and subtidal habitat should be conserved, restored and increased” [page 16, Policy No. 1]; “Marshes and mudflats should be maintained to the fullest possible extent to conserve fish and wildlife and to abate air and water pollution” [page 19, Policy No. 1]; “[W]here 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” [page 23 Policy No. 4]; and, “Dredged materials should, if feasible, be reused or disposed outside the Bay...” and “dredging projects should maximize use of dredged material as a resource consistent with protecting and enhancing Bay natural resources, such as creating, enhancing, or restoring tidal and managed wetlands” [Page 38, Policies No.3 and 5, respectively].

The proposed project satisfies the criteria for determining project priorities under Section 31163(c):

- (1) It is supported by adopted local and regional plans including the San Francisco Bay Plan, Hamilton Air Force Bay Re-Use Plan of the City of Novato, and the Long-Term Management Strategy (LTMS) for the Placement of Dredged Material in the San Francisco Bay Region;

- (2) It is multi-jurisdictional and serves a regional constituency by offering opportunities for beneficial reuse of dredged material throughout San Francisco Bay and providing a resource enhancement opportunity of statewide significance;
- (3) The project can be implemented in a timely way as the Corps has secured its cost-share and stands ready to continue Project work;
- (4) It provides benefits that could be lost with time, as tidal wetlands need to be established as soon as possible in order to keep pace with sea level rise; and
- (5) The project includes matching funds from the federal government, which will pay 75 percent of project implementation and monitoring costs.

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

Consistent with **Goal 12, Objective D** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will restore approximately 650 acres to tidal and seasonal wetlands.

CEQA COMPLIANCE:

In April 1999, the Conservancy certified the Environmental Impact Report/Statement for the Hamilton Wetlands Restoration project. On June 25, 2001, the Conservancy certified the Hamilton Wetland Restoration Plan Volume II EIR/EIS and approved the Feasibility Report. On June 16, 2005, the Conservancy certified the Final Supplemental Environmental Impact Report / Environmental Impact Statement for the Bel Marin Keys Unit V Expansion of the Hamilton Wetland Restoration Project and approved modifications to the Hamilton Wetland Restoration Plan to incorporate BMKV. The expenditure of additional funds under this authorization will enable completion of the Hamilton wetlands restoration elements of the Project as described in the certified documents. There have been no project changes, new information, or changed circumstances that trigger the need for additional CEQA review of the project pursuant to 14 Cal. Code Regs. Section 15162.