

COASTAL CONSERVANCY

Staff Recommendation
September 22, 2022

ROCKS RANCH ACQUISITION

Project No. 22-017-01
Project Manager: Tim Duff/Irvin Tang

RECOMMENDED ACTION: Authorization to disburse up to \$1,000,000 to the Land Trust of Santa Cruz County to acquire the 2,618-acre Rocks Ranch property for natural resource protection and restoration; wildlife connectivity; open space preservation; and to the extent compatible with the foregoing, agricultural preservation, tribal access, and potentially public access, located at the northern tip of the Gabilan Range in Monterey and San Benito Counties.

LOCATION: Along Highway 101, East of Prunedale, Monterey and San Benito Counties

EXHIBITS

Exhibit 1: [Project Location Maps](#)

Exhibit 2: [Photos](#)

Exhibit 3: [Project Letters](#)

RESOLUTION AND FINDINGS

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

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed one million dollars (\$1,000,000) to the Land Trust of Santa Cruz County (“the grantee”) to acquire the 2,618-acre Rocks Ranch property for natural resource protection and restoration; wildlife connectivity; cultural resource protection; open space preservation; and to the extent compatible with the foregoing, agricultural preservation, tribal access, and potentially public access, located at the northern tip of the Gabilan Range in Monterey and San Benito Counties (San Benito County Assessor’s Parcel Numbers (APNs) 011-310-0030, 011-310-0060, and 011-310-0040 and Monterey County APNs 181141001000, 181141002000, and 181141003000), 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 acquired under this authorization shall be managed and operated for natural resource protection and restoration; wildlife connectivity; cultural resource protection; open space preservation; and to the extent compatible with the foregoing, agricultural preservation, tribal access, and potentially public access, with a focus on access for tribal nations and other tribal members whose ancestral homeland includes this site (collectively, the "Acquisition Purposes"). 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.

Findings:

Based on the accompanying staff recommendation 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.
3. The Land Trust of Santa Cruz County is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

STAFF RECOMMENDATION

PROJECT SUMMARY:

Staff recommends the Conservancy authorize a grant of up to \$1,000,000 to the Land Trust of Santa Cruz County (LTSCC) to acquire the 2,618-acre Rocks Ranch property located at the northern tip of the Gabilan Range in Monterey and San Benito Counties. The proposed acquisition will protect critical wildlife connectivity between the Santa Cruz Mountains and the Gabilan Range — two diverse mountain ranges containing expansive intact habitat in California's Central Coast ecoregion, which is a critical component of California's biodiversity. The acquisition will also protect natural and cultural resources, preserve open space, and to the extent compatible with the foregoing, allow for agriculture, tribal access, and potential public access.

The effort to conserve Rocks Ranch dates back several decades. Over this period, numerous organizations such as The Nature Conservancy, the Big Sur Land Trust, and the San Benito Agricultural Land Trust have identified Rocks Ranch as a conservation priority. LTSCC's interest in the property dates to 2011 through a partnership with the California Department of Fish and Wildlife (CDFW) to develop the Santa Cruz Mountains Linkages Conceptual Area Protection plan. Rocks Ranch was identified as the highest priority within this plan. An area of grazing and agricultural lands south of the urbanized portions of the Bay Area, the cities of Monterey, Hollister, and Watsonville, Rocks Ranch has been subject to numerous development proposals. During the fall of 2019, LTSCC learned that Rocks Ranch was on the verge of being sold for commercial development. At that point a long-time funder of LTSCC stepped in to buy the property on an interim basis, giving LTSCC time to attempt to acquire it. Under the terms of the purchase agreement, LTSCC has until 2023 to complete the transaction. If LTSCC is not successful, Rocks Ranch will go back on the market and the commercial development plans will likely move forward.

Rocks Ranch contains a 4.4-mile-long stretch of intact habitat that is highly permeable to animal movement. The LTSCC acquisition of Rocks Ranch will help safeguard this critical landscape linkage from intensified land use and conserve important habitats for rare and endangered species. Because of its adjacency to US Highway 101, and an extensive area of intact habitat, Rocks Ranch is critical to the success of the Southern Santa Cruz Mountains Connectivity Project: a collaboration between LTSCC and its conservation and transportation partners, to protect and restore key habitats and enhance wildlife crossing infrastructure between the Santa Cruz Mountains and the Gabilan Range.

In addition to its value to regional wildlife connectivity, Rocks Ranch's extensive aquatic systems, microclimate variability, and cooler coastal microclimate within the Gabilan Range support numerous sensitive habitats such as one identified California red-legged frog breeding pond and suitable breeding and upland habitat for California tiger salamander. Further, Rocks Ranch is an important part of the Elkhorn Slough watershed. The property has 2.1 miles of streams, a 10.2-acre freshwater wetland, and numerous ponds and springs that provide fresh water to Elkhorn Slough, one of California's most extensive and biodiverse wetland ecosystems. The conservation of Rocks Ranch will protect these resources from the impact of commercial development.

During this period of interim ownership, LTSCC has held the ranch's grazing leases and managed the day-to-day ranch operations. This has allowed LTSCC to start developing a comprehensive management plan for the property that will seek to balance the ranch's agricultural use, protection of the wildlife habitat, tribal and public access, and economic and social sustainability. To achieve these goals, LTSCC has sought input from numerous stakeholders from the agricultural community, conservation organizations, and local tribal bands. These include The Nature Conservancy, the Trust for Public Land, the Peninsula Open Space Trust, the Big Sur Land Trust, the San Benito Agricultural Land Trust, and the Amah Mutsun Tribal Band.

Since LTSCC gained stewardship of Rocks Ranch, it has been working with the Amah Mutsun Tribal Band who had the opportunity to tour the site and observe present-day conditions. The Amah Mutsun tribal team noted many culturally significant plant species that could be

protected and managed to provide greater ecosystem benefits as well as sources of food, medicine, or basketry materials for tribal members. In addition to their interest in the use of resources on the property, the Amah Mutsun tribal team identified a sheltered flat on the property along with numerous other locations on the property that contain pre-contact village sites or other archaeological features. A systematic, property-wide cultural resources survey will be necessary to identify culturally and archaeologically significant sites on the property and ensure that the ranch management plan provides for the preservation of these resources.

Upon successful acquisition of the property, LTSCC expects to own and manage Rocks Ranch for the foreseeable future. The Land Trust has defined a one-acre building envelope near the front gate that could be used to develop a caretaker residence and/or farmworker housing. This building envelope is a requirement of acquisition funding from the California Department of Conservation. The long-term conservation of this property will be guided by the adaptive management plan that is currently under development. LTSCC's management goals for the property include conserving Rocks Ranch's habitat and improving wildlife connectivity throughout the linkage, preserving the agricultural use of the property, preserving culturally and archaeologically significant sites identified on the property, and utilizing sustainable grazing as a tool to improve habitat quality. LTSCC also plans to explore future uses such as managed public access, environmental education, and research opportunities to the extent these are consistent with the primary acquisition purposes. Further, to ensure the permanence of conservation efforts, LTSCC will use grazing revenue (if available) to support future management and monitoring costs.

Site Description: Rocks Ranch is a 2,618-acre property on the northern tip of the Gabilan Range Mountains, just east of the community of Prunedale and west of the City of San Juan Bautista. The ranch property straddles Monterey and San Benito counties (Exhibit 1). The ranch is comprised of six parcels: three northern parcels totaling 1,242 acres (47%) are in San Benito County while the three southern parcels totaling 1,376 acres (53%) are in Monterey County. Rocks Ranch is adjacent to US Highway 101 through the Prunedale Bypass – a divided section of highway that traverses the northern Gabilan Range near the Aromas Hills, which connects the Gabilan Range to the Santa Cruz Mountains in the north.

The 1,376 acres of Rocks Ranch that are in Monterey County are zoned for Permanent Grazing, which is intended to preserve, protect, and enhance productive grazing lands in the County of Monterey, and generally allows for low-intensity land use. Most of the acreage within the San Benito County parcels is zoned Agricultural Rangeland, which similarly allows for low-intensity agricultural uses including 40-acre minimum lot size. The northern portion of the two northern parcels is zoned Agricultural Productive, which allows five-acre minimum lot size.

Approximately 19.8 acres of the northwest parcel of Rocks Ranch that LTSCC would acquire in San Benito County is part of the "Rocks Ranch Commercial Node". Recently rezoned to Regional Commercial by the County of San Benito, the Rocks Ranch Commercial Node is one of five commercial development nodes located along US Highway 101 in the San Benito County General Plan with the purpose of facilitating development that will serve tourist traffic by providing accommodation, supplies, and services geared to travelers and visitors.

A cell phone tower is located on one portion of the property and the former property owner holds an easement to access and use this area for the cell phone tower. The easements constraining these five acres make it generally unusable by the land trust and so this area was not valued in the appraisal.

Rocks Ranch has been an active cattle ranch for more than a century, where seasonal grazing operations support extensive intact grassland, coastal scrub, and coast live oak savannas and woodlands on-site. The resulting 4.4-mile-long stretch of intact habitat on the property is highly used by wildlife. According to the CDFW's Santa Cruz Mountains Linkages Conceptual Area Protection Plan, Rocks Ranch serves as a critical wildlife linkage connecting the Santa Cruz Mountains and Gabilan Range. The conservation of Rocks Ranch will be the first major step in conserving the Gabilan Range-Santa Cruz Mountains wildlife linkage and facilitating animal movement within the Coast Range Mountains between the Transverse Range Mountains in the south and the northern tip of the Santa Cruz Mountains.

As described above, Rocks Ranch also features a cooler climate than other ranches within the Gabilan Range due to its coastal influence and steep, varied topography which allows it to support a variety of habitats and wildlife. The ranch is known to have California red-legged frogs and suitable breeding and upland habitat for California tiger salamander. There is also suitable habitat for the following additional sensitive species: Tricolored blackbird, Western burrowing owl, Least Bell's vireo, golden eagle, California Condor, American Badger, San Joaquin kit fox, and Tule elk.

Grant Applicant Qualifications:

LTSCC has a successful history of completing both conservation easement and fee simple real estate transactions in Santa Cruz and Monterey counties. Since its establishment in 1978, LTSCC has protected over 15,000 acres of land. With an annual operating budget of approximately \$3 million and a \$9 million budget for capital projects, the nonprofit is financially equipped to handle ownership and management responsibilities over its properties. Having received prior State grants, LTSCC is well-versed in meeting State grant requirements.

LTSCC will rely on both in-house staff and contractors to manage the Conservancy grant and carry out the proposed project. LTSCC staff has a proven capacity for managing land conservation and construction projects, exemplified by the recent completion of several projects, including Watsonville Slough Farms and the Highway 117 Wildlife Crossing Project. LTSCC has a management plan for each of its properties regarding the ongoing management and maintenance needs, including Rocks Ranch. During this period of interim ownership, LTSCC has held the ranch's grazing leases and managed the day-to-day ranch operations. This has allowed the LTSCC to start developing a comprehensive management plan for the property that will seek to balance the ranch's agricultural use, protection of the wildlife habitat, tribal and public access, and economic and social sustainability. LTSCC expects to own and manage Rocks Ranch for the foreseeable future. LTSCC's stewardship of the property will be guided by the management plan that is currently under development.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA:

The proposed project is consistent with the Conservancy's Project Selection Criteria, last updated on September 23, 2021, in the following respects:

Selection Criteria

1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.

See the "Consistency with Conservancy's Strategic Plan" section below.

2. Project is a good investment of state resources.

The proposed project supports the state's 30 x 30 Executive Order to conserve at least 30 percent of California's land and coastal waters by 2030 as 2,618 acres of an important coastal watershed will be permanently protected by this acquisition. The project also supports the California Water Action Plan goals "to protect and restore important ecosystems" as the project will protect the headwaters of the Elkhorn Slough watershed, an important wildlife corridor between the Gabilan Range and the Santa Cruz Mountains, as well as suitable habitat for several threatened and sensitive species including California red-legged frog and California tiger salamander. The project will also support the state's draft Natural and Working Lands Climate Smart Strategy by protecting agricultural land from development and continuing conservation grazing on the property. The project is a good investment of state resources as it fulfills multiple state goals, leverages \$8 million of local funding, and is supported by state legislators.

3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.

LTSCC is collaborating with the Amah Mutsun Tribal Band, to develop a ranch management plan that provides for the preservation of culturally significant plant species, archaeological features, and greater ecosystem benefits of the property.

4. Project benefits will be sustainable or resilient over the project lifespan.

The proposed project will permanently protect the property from development, protecting the wildlife corridor connecting the Gabilan Range and the Santa Cruz Mountains and habitats for threatened and sensitive species. LTSCC is developing a comprehensive management plan for the property that will help ensure the sustainability of the ranch's agricultural, habitat, and cultural resources. The project is located in upland areas that will not be affected by sea-level rise.

5. Project delivers multiple benefits and significant positive impact.

The proposed acquisition will deliver multiple benefits including: 1) permanently protecting the property from development, thereby protecting the wildlife corridor connecting the Gabilan Range and the Santa Cruz Mountains and habitats for threatened and sensitive species; 2) keeping grazing working lands in production; 3) protect scenic open space adjacent to the City of San Juan Bautista; and 4) increases tribal access for the Amah Mutsun Tribal Band to collect

and use culturally significant plant species, protect archaeological features, and manage resources for greater ecosystem benefits of the property.

6. Project planned with meaningful community engagement and broad community support.

The conservation of Rocks Ranch is a top priority for several regional conservation groups. These include The Nature Conservancy, the Trust for Public Land, the Peninsula Open Space Trust, the Big Sur Land Trust, the San Benito Agricultural Land Trust, and the Amah Mutsun Tribal Band. In the past 20 years, there have been two attempts to purchase the property by regional partners.

LTSCC purchase of Rocks Ranch has broad support within the community. The San Benito County Board of Supervisors, Assemblymember Robert Rivas (District 30), and Senator Anna Caballero (District 12) have all publicly supported the project. The Graniterock Corporation, which owns most of the land across Highway 101 from Rocks Ranch, the Wildlife Conservation Board, CDFW, the California Department of Conservation, and Caltrans Region 5 are also in support of conserving the property.

PROJECT FINANCING

Coastal Conservancy	\$1,000,000
Wildlife Conservation Board	\$4,000,000
California Department of Conservation	\$4,050,000
Land Trust of Santa Cruz County	\$8,000,000
Project Total	\$17,050,000

The anticipated sources of Conservancy funds for this project are 1) an appropriation from the Habitat Conservation Fund (HCF), which was created by the California Wildlife Protection Act of 1990 (Proposition 117, Fish and Game Code Sections 2780-2799.6); and 2) an appropriation from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Bond Act of 2006 (Proposition 84, Public Resources Code Sections 75001-75090).

Pursuant to Fish and Game Code Section 2786(a), HCF funds may be used for the acquisition of habitat, including native oak woodlands, necessary to protect deer and mountain lions. The Rocks Ranch property is native oak woodland. The Rocks Ranch property is known to be used by mountain lions as a critical link in the wildlife corridor connecting the Gabilan Range to the Santa Cruz Mountains.

Proposition 84 authorizes the Conservancy’s use of these funds for protection of beaches, bays and coastal waters and watersheds (Public Resources Code section 75060). Public Resources Code section 75060(e) specifically allocates funds to the Conservancy for the protection of Monterey Bay and its watersheds. Public Resources Code section 75005(m) defines “protection” as “actions necessary to prevent harm or damage to persons, property or natural resources or those actions necessary to allow the continued use and enjoyment of property or natural resources and includes acquisition.” Proposition 84 also authorizes the Conservancy’s use of these funds for the purposes of enhancement of coastal resources through projects

undertaken pursuant to the Conservancy's enabling legislation (Division 21 of the Public Resources Code), including Chapter 5.5 regarding Integrated Coastal and Marine Resource Protection projects. (Public Resources Code section 75074). Consistent with these sections, the project is an acquisition of property located in the Monterey Bay watershed that is necessary to prevent harm to and allow continued use of natural resources. Consistency of the project with Chapter 5.5 is discussed below in "Consistency with Conservancy's Enabling Legislation." Accordingly, the proposed project is consistent with funding requirements of Proposition 84.

Unless specifically identified as "Required Match," the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The proposed authorization is consistent with the purposes and objectives of Chapter 5.5, Integrated Coastal and Marine Resources Protection (Section 31220) of the Conservancy's enabling legislation, Division 21 of the Public Resources Code. 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 proposed acquisition will protect 2,618 acres of coastal habitats including the headwaters of the Elkhorn Slough 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. 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.

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

Consistent with **Goal 5, Objective A** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect 2,618 acres of a significant coastal watershed resource property.

Consistent with **Goal 5, Objective B** of the Conservancy's 2018-2022 Strategic Plan, the proposed project will protect approximately 2,618 acres of working lands at Rocks Ranch that will be continued to be used as rangeland under LTSCC ownership.

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. The proposed acquisition is consistent with the 2018 Greater Monterey County Integrated Regional Water Management (IRWM) Plan's goals to protect, enhance, and restore the region's ecological resources while respecting the rights of private property owners. The proposed project will protect 2,618 acres of coastal habitat, including 6% of the Elkhorn Slough watershed, by acquiring the property from a willing seller.

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 regarding acquisitions of lands to preserve open space and habitat. Section 15325 provides examples of exempt acquisition purposes, including those for the purposes of preserving existing natural conditions, allowing continued agricultural uses, allowing restoration of natural conditions, and preserving open space for park purposes. Consistent with these examples, the proposed project will preserve natural wildlife habitat, allow continued agricultural use, enable future restoration of natural conditions, allow continued grazing on the property, and preserve open space for potential future public access. Upon approval of the project, Conservancy staff will file a Notice of Exemption.