

COASTAL CONSERVANCY

Staff Recommendation
June 1, 2023

RANA CREEK RANCH ACQUISITION

Project No. 23-018-01
Project Manager: Timothy Duff

RECOMMENDED ACTION: Authorization to disburse up to \$2,000,000 to the Wildlands Conservancy to acquire 11,692 acres of the Rana Creek Ranch in upper Carmel Valley to protect water quality, natural resources, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing, and for public and tribal access compatible with such uses.

LOCATION: Upper Carmel Valley, Monterey County

EXHIBITS

- Exhibit 1: [Project Maps](#)
 - Exhibit 2: [Maps of Lot 11 and 12](#)
 - Exhibit 3: [Project Photos](#)
 - Exhibit 4: [Project Letters](#)
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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 two million dollars (\$2,000,000) to the Wildlands Conservancy (“the grantee”) to acquire 11,692 acres of the Rana Creek Ranch in upper Carmel Valley to protect water quality, natural resources, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing, and for public and tribal access compatible with such uses (the “project”), 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):

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- 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 the 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 the protection of water quality, natural resources, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing, and for public and tribal access compatible with such uses. 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 Wildlands Conservancy 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 \$2,000,000 to the Wildlands Conservancy (TWC) to acquire 11,692 acres of the Rana Creek Ranch (the “project”). The purpose of the acquisition is to protect water quality, natural resources, wildlife habitat, scenic open space, and compatible agriculture including cattle grazing, and for public and tribal access compatible with such uses (acquisition purposes). Located in upper Carmel Valley between Salinas Valley and the Santa Lucia Range, Rana Creek Ranch is the largest private landholding in Carmel Valley (Exhibit 1). With an estimated 45 new homesites that could potentially be developed under Monterey County zoning and land use policies, the ranch’s largely undisturbed landscape, open space values, and abundant water resources are at significant risk from residential development and intensive agricultural uses such as vineyards.

The Wildlife Conservation Board (WCB) awarded \$24 million for the acquisition at its May 2023 meeting. WCB and Conservancy restrictions will prohibit subdivisions, eliminate all future residential development potential, and restrict agricultural uses to livestock grazing. TWC will

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add Rana Creek Ranch to its California preserve system and manage the property consistent with the Conservancy's acquisition purposes and associated restrictions. TWC will develop a management plan for the preserve with a focus on ecologically focused grazing practices, fuels and fire management, visitor safety, and sensitive species monitoring. Specific management goals will be established to protect the ranch's various habitat types, open space, and cultural resources, and provide compatible public access and recreation.

As with TWC's other preserves including the Jenner Headlands and the Wind Wolves Preserves, TWC is committed to providing free public access to the ranch and its existing network of roads and trails. TWC will partner with local schools and nonprofit groups to transport students and families to the ranch and provide outdoor education and natural resource and land stewardship programs to underserved communities in the region, including tribal groups that will have access for ceremonies and other events. TWC also plans to evaluate the potential to construct a campground that would allow the public to camp on the property overnight free of charge.

In addition to acquiring 11,692 acres of the ranch that comprise one lot with state funds (Lot 12), TWC will also be acquiring an adjacent 730-acre portion of the ranch (Lot 11) with its own funds (Exhibit 2). With the potential exception of constructing a ranger station, TWC has agreed to restrict all future development on Lot 11. TWC intends to combine 336 acres of Lot 11 into Lot 12 via a lot line adjustment. These 336 acres have an existing 9,000 square-foot conference center and several outbuildings that will serve as the preserve's headquarters and primary visitor access point to further the acquisition purposes of Lot 12. The remainder of Lot 11 has an existing estate home, two guest homes, greenhouse/garden, manager's residence, pond, and several small associated outbuildings. These facilities will be used as TWC staff housing for preserve operations, rented/leased for revenue generating activities, or a mix of both. TWC will record a declaration of covenants and restrictions over Lot 11 to prevent future development and other land use changes. TWC has agreed to restrict the use of the rental/lease revenue from these facilities on Lot 11 for a period of 25 years following the acquisition to fund costs associated with operating and managing the preserve. If TWC sells Lot 11, 50% of the net proceeds from the sale will be held in an operating fund and restricted to cover costs associated with operating the preserve during the 25-year period following the original acquisition.

Site Description: The ranch is located in upper Carmel Valley between Salinas Valley and the Santa Lucia Range with 12,422 contiguous acres (Lots 11 and 12 combined) ranging from 900 to 3,400 feet in elevation (Exhibits 1 and 3). The property features numerous springs, seasonal creeks, and wetlands in addition to extensive oak woodlands and native grasslands. The ranch supports populations of the federal and State-listed California red-legged frog and California tiger salamander. Rana and Agua Mala Creeks provide potential habitat for re-establishing federally protected South-Central California Coast steelhead in the upper Carmel River. The ranch also provides a key wildlife corridor between the Salinas Valley and Los Padres National Forest.

Numerous wells and developed springs throughout the property supply water to water tanks and cattle troughs. The ranch currently carries approximately 160 calf/cow pairs. The entire ranch is enrolled in an Agricultural Preserve/Williamson Act contract. Largely undeveloped, Lot 12's minimal improvements include a small rustic cabin and barn, perimeter and pasture

fencing, interior ranch roads, and utility lines. TWC will use the rustic cabin and barn only for purposes that further the acquisition purposes, such as a caretaker facility or for public access amenities. The property offers over 16 miles of trails and roads suitable for hiking and horseback riding. Carmel Valley Road provides direct access to the ranch at its southwest boundary. TWC intends to develop access to the northeastern portion of the property directly from the Salinas Valley via a road easement through private property. Once developed, this will provide residents of the Salinas Valley, including many from low-income communities, with much closer access to the property and its recreational amenities.

Grant Applicant Qualifications: TWC is a California private nonprofit public benefit corporation dedicated to preserving biodiversity and to providing passive recreation and education opportunities for free to the general public. Over the past 25 years TWC has established the largest nonprofit nature preserve system in California, comprised of fifteen preserves encompassing 143,000 acres of diverse mountain, valley, desert, river, and oceanfront landscapes, including its 5,630-acre Jenner Headlands Preserve and the 93,000-acre Wind Wolves Preserve. These preserves are open to the public free of charge for passive recreation, including camping, hiking, horseback riding, picnicking, and birding.

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 is a good investment of state resources because it will contribute to meeting the state's biodiversity and equitable outdoor access goals as outlined in the Strategic Land Acquisition section of the Governor's 30x30 Executive Order. The project will also provide free public access to upper Carmel Valley where there are few opportunities for public access.

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.

TWC met with the Esselen Tribe of Monterey County on the property to discuss cooperative activities, including access for ceremonies and acorn gathering, management decision-making, and use of the conference center on its adjacent property to develop collaborative land stewardship projects and programs. TWC has also been in contact with the Ohlone-Costanoan-Esselen Nation to discuss similar activities. TWC is seeking to develop agreements with both tribes to formalize tribal access and develop special programs to involve Native American students in natural resources management training and certificate programs.

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

The proposed project will permanently protect the property from development and enhance regional climate resilience and adaptation by permanently protecting a key wildlife corridor between Salinas Valley and Los Padres National Forest. The project will deliver long-term benefits including carbon sequestration by preserving oak woodlands and avoiding greenhouse gas emissions by prohibiting future development. The project will also provide refuge for species moving north and/or up elevation to escape the impacts of climate change. TWC will add Rana Creek Ranch to its California Preserve System and manage the property in perpetuity consistent with the Conservancy's acquisition purposes and restrictions.

5. Project delivers multiple benefits and significant positive impact.

The proposed project will deliver multiple benefits including permanently protecting the ranch's grazing, natural habitat, open space, and cultural resources from development. The acquisition will also protect a key wildlife corridor between the Salinas Valley and Los Padres National Forest. The project will improve climate resilience and adaptation by permanently protecting diverse, climate-resilient habitats. In addition, TWC will open the ranch to the public free of charge and will provide planned outdoor educational programs to low-income communities in the nearby area. Opening the property for public access helps remove regional access barriers identified in the state's 30x30 strategy.

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

The project has broad community support from local and state legislators, the Big Sur Land Trust, and the Esselen Tribe of Monterey County. See Exhibit 4 for project letters.

PROJECT FINANCING

Lot 12:

Coastal Conservancy	\$2,000,000
Wildlife Conservation Board	\$24,000,000
Wildlands Conservancy	<u>\$300,000</u>
Project Subtotal	\$26,300,000

Lot 11:

Wildlands Conservancy	\$1,200,000
Seller Donation	<u>\$7,500,000</u>
Project Subtotal	\$8,700,000
Rana Creek Ranch Total (Lots 11 and 12)	\$35,000,000*

*Conservancy funds are directed to Lot 12 only.

Conservancy funds are anticipated to come from the FY 2022/23 appropriation from the General Fund to the Conservancy for the purpose of climate resilience (The Budget Act of 2022, SB 154). These funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021, which sets forth a detailed description of the purposes of the climate resilience funds, including projects that protect coastal watersheds and increase the resilience of coastal ecosystems to climate change impacts. The proposed project is consistent with this funding source as it will permanently protect 11,692 acres (Lot 12) of a coastal watershed, including an important wildlife corridor, and it contains diverse habitat types that will facilitate climate migration of native species.

The Wildlife Conservation Board awarded \$24 million for the acquisition of Lot 12 from a general fund appropriation to their Land Acquisition Program.

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:

Conservancy participation in the proposed project is consistent with 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) authorizes the Conservancy to undertake a project or award grants for coastal watershed projects that meet one or more criteria of Section 31220(b). Consistent with Section 31120(b), the proposed project will (1) protect fish and wildlife habitat within coastal watersheds and coastal waters (Section 31120(b)(2)), including endangered species habitat in the Carmel River watershed; (2) reduce unnatural erosion and sedimentation of a coastal watershed (Section 31120(b)(4)) by preventing future land uses that could contribute to unnatural watershed erosion and sedimentation; (3) acquires, protects, and restores coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands, including watershed lands draining to sensitive coastal or marine areas; and (4) provides for public access compatible with resource protection and restoration objectives.

Consistent with section 31220(a), staff has consulted with the State Water Resources Control Board in the development of the project to ensure consistency with Chapter 3 (commencing with section 30915) of Division 20.4 of the Public Resources Code, the purpose of which is to restore the water quality and environment of coastal waters, estuaries, bays, and nearshore waters.

Consistent with section 31220(c), the project is consistent with local watershed management plans and water quality control plans adopted by the State Water Resources Control Board and Regional Water Quality Control Boards (see the “Consistency with Local Watershed Management Plan/State Water Quality Control Plan” section below), and has a monitoring and evaluation component included in the project.

CONSISTENCY WITH CONSERVANCY'S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 3.1 Conserve Land**, the proposed project would protect 12,422 acres of land identified in regionally led and scientifically based planning efforts to protect high quality resources and increase habitat.

Consistent with **Goal 3.3 Working Lands**, the proposed project would protect working ranch lands.

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

Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local watershed management plans, if available, and with water quality control plans, adopted by the state and regional water boards. Projects undertaken pursuant to Chapter 5.5 of Public Resources Code Division 21 (Section 31220) must be consistent with local watershed management plans, if available, and with water quality control plans, adopted by the state and regional water boards. The Water Quality Control Plan for the Central Coastal Basin adopted by the Regional Water Quality Control Board designates several beneficial uses for the Carmel River that will be protected or enhanced by the proposed project including cold freshwater habitat, wildlife habitat, threatened or endangered species; and migration of aquatic organisms (Table 2.1 Basin Plan).

The Monterey Peninsula, Carmel Bay, and South Monterey Bay Integrated Regional Water Management Plan includes the following guidance: "Priority actions to address local climate change impacts should focus on three prioritized vulnerabilities: 1) decreased water supply; 2) increased flooding and erosion of creeks and rivers; and 3) coastal inundation of urban development, other land uses, and impacts to coastal river and wetland ecosystems."

Acquisition of the Rana Creek Ranch will protect natural resources, including the existing water supply, and prevent increased erosion in the Carmel River watershed.

COMPLIANCE WITH CEQA:

The proposed easement acquisition is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations Section 15325 because it is a transfer of ownership of interests in land in order to preserve open space for watershed protection and park purposes, existing natural conditions and agriculture.

Staff will file a Notice of Exemption upon Conservancy approval of the project.