

SAN PABLO BAYLANDS COLLABORATIVE PROTECTION AND RESTORATION PROJECT
PHASE 2: CAMP 4 RANCH ACQUISITION AND STEWARDSHIP

access and recreation as part of Phase 2 of the San Pablo Baylands Collaborative Protection and Restoration 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 Authority (Executive Officer):
 - a. All relevant acquisition documents 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 the purposes of habitat restoration and protection and open space preservation with the potential to allow limited public access and recreation that is compatible with those purposes. The property shall be permanently dedicated to those purposes by an appropriate instrument approved by the Executive Officer.
4. Authority 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.
5. Prior to disbursement of funds for stewardship activities, the grantee shall submit for the review and written approval of the Executive Officer of Authority the following:
 - a. A detailed work program, schedule, and budget.
 - b. Names and qualifications of any contractors to be employed in carrying out the project.
 - c. A plan for acknowledgement of Authority funding.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the San Francisco Bay Restoration Authority hereby finds that:

1. The proposed authorization is consistent with the San Francisco Bay Restoration Authority Act, Gov. Code Sections 66700-66706.
2. The proposed authorization is consistent with The San Francisco Bay Clean Water, Pollution Prevention and Habitat Restoration Measure AA.

PROJECT SUMMARY:

Staff recommends that the Authority authorize disbursement of up to \$1,000,000 to Sonoma Land Trust (SLT) to acquire and initially steward Camp 4 Ranch, a 149-acre privately owned hay farm in Sonoma County for habitat restoration and protection and preservation of open space with the potential for limited public access and recreation as part of Phase 2 of the San Pablo Baylands Collaborative Protection and Restoration (CPR) Project (see Exhibit 1).

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For Phase 1 of the San Pablo Baylands CPR Project, the Authority authorized a grant, on May 8, 2020, of up to \$2,950,000 to Ducks Unlimited to restore and enhance important wetland habitats on the San Pablo Bay National Wildlife Refuge (Refuge), including Cullinan Ranch and Haire Ranch (see Exhibit 2). The Phase 1 project was selected in the Authority's Grant Round 3 because it will build on over 30,000 acres of protected land along San Pablo Bay and add a critical component to the vision of an unbroken band of restored marshes from Novato to Vallejo, as articulated in the Baylands Ecosystem Habitat Goals (1999) and the Baylands Ecosystem Habitat Goals Science Update (2015). Ducks Unlimited has overseen the first year of weed control at the Refuge, which is now complete, and has solicited bids for the levee repair component at Haire Ranch, which will enable enhancement of approximately 740 acres of seasonal wetlands. In addition, the Cullinan Ranch site received over 200,000 cubic yards of dredged sediment this year, which will accelerate restoration and improve resilience to sea level rise. Authority funds will support the eventual breaching of levees at Cullinan Ranch to enable tidal restoration at the site.

Phase 2 of the San Pablo Baylands CPR project, the subject of this authorization, focuses on the property adjacent to Haire Ranch (to the northeast). Preservation of Camp 4 Ranch as open space is vital to implementation of the Sonoma Creek Baylands Strategy (SCBS), a high-level vision for protecting and restoring over 10,000 acres of tidal marsh and other wetland habitat in the Sonoma Creek Baylands (see Exhibit 3). The SCBS was funded by Measure AA and completed in May 2020. The diked agricultural baylands of Sonoma County, including Camp 4 Ranch, represent one of the most significant remaining opportunities for tidal wetland restoration in San Francisco Bay.

Acquisition and Initial Stewardship

SLT and the Natural Resources Conservation Service (NRCS) are collaborating on acquisition of Camp 4 Ranch. NRCS will acquire a permanent Wetland Reserve Easement (WRE) over the majority of the property that will restrict uses on the property to wetland restoration and will permanently protect the restored wetlands. (The WRE will not cover a small portion of the property with a barn protected by a levee, which has the potential to be used as a staging area for limited public access and recreation.) SLT will acquire the underlying fee interest of the property, the majority of which will be encumbered by the WRE. NRCS will pay for the WRE, and SLT, with support from the Authority, will pay for fee title. NRCS and SLT anticipate entering into purchase agreements with the owners by the end of 2021 and closing in fall 2023. Following the acquisition, SLT will use the initial stewardship funds to manage the property until the restoration design, environmental review, and permitting work are completed.

SLT will retain ownership and responsibility for property stewardship until the property can be transferred to the U.S. Fish and Wildlife Service (USFWS) to add to the Refuge or to another conservation partner. SLT and NRCS will work with USFWS staff to expand the Refuge boundary to include Camp 4 Ranch, so that fee title can be transferred to the Refuge.

Stewardship of properties in diked historic baylands like Camp 4 Ranch have unique challenges and costs. Stewardship is needed to prevent damage to and degradation of the property that could reduce its future habitat value and to protect adjacent landowners from flooding. Stewardship

tasks include, but are not limited to, property management; maintenance and repairs of buildings, roads, utilities, and other infrastructure; mosquito abatement; inspections, security and trespass control; levee maintenance and repair; and pump operations. The management standard will be to prevent the property from degrading below current conditions to an extent that it would impede potential future restoration or threaten adjacent landowners and land uses. Authority funding for this interim land management, prior to transferring the property to the Refuge, is essential to enabling SLT to move forward with the acquisition.

Potential Future Phase: Restoration

The WRE program requires that wetland restoration be initiated within three years of close of escrow. With input from SLT, NRCS will develop the restoration design to ensure its compatibility with the hydrology and existing habitat of the Sonoma Creek Baylands and with the overall restoration vision developed in the SCBS. NRCS will fund the cost of restoration design, environmental review, permitting, and construction. SLT successfully deployed this partnership approach with NRCS on acquisition and restoration of the adjacent 1,100-acre Haire Ranch.

Restoration of the property would enhance habitat for vital populations of fish, birds, and other wildlife, restore tidal marshes, and enhance the region's capacity to remove pollution from the Bay's water, sequester carbon, moderate the impacts of sea level rise. It would provide habitat for endangered species, including Ridgway's rail and salt marsh harvest mouse, and provide foraging and wintering habitat for hundreds of thousands of waterfowl and shorebirds along the Pacific Flyway.

Potential Future Use: Limited Public Access and Recreation

Although the primary purpose for acquiring the property is preservation of open space and habitat protection and restoration, the property has the potential for limited public access and recreation that is compatible with that purpose. The property has a barn that could potentially be used for recreational programs such as summer camps for children. If and when the property is transferred to the Refuge or another conservation partner, limited public access and recreation compatible with the primary purpose is expected to continue but is optional depending upon future site conditions.

Site Description: The diked agricultural areas of the Sonoma Creek Baylands were once a vast mosaic of tidal and seasonal wetlands. During the 1850s, this region, including Camp 4 Ranch, was diked and drained for agriculture. Currently, Camp 4 Ranch is dry farmed for oat hay and protected by levees that vary in condition. Camp 4 Ranch is surrounded by Steamboat Slough, Third Napa Slough, and Hudeman Slough. The property is located between the U.S. Fish and Wildlife Service (USFWS) Refuge and California Department of Fish and Wildlife (CDFW) Napa-Sonoma Marshes Wildlife Area. At an elevation of about 0.3 feet NAVD, it currently floods from Ringstrom Bay and Steamboat Slough during large storm events (see Exhibit 4).

There are three structures on the property: two barns and one house that is in poor condition. The Sonoma-Marin Area Rail Transit (SMART) railroad follows the historical marsh edge contour to the west and east of the project area. The adjacent upland areas include vineyards and water storage ponds. The entire property is in the 100-year flood zone.

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As a hay farm, the property provides limited habitat. However, according to the SCBS, the surrounding tidal slough channels could support California cordgrass, perennial pickleweed, salt grass, alkali bulrush, cattails, hairy bentgrass, bulrushes, and brass buttons. Dabbling and diving ducks utilize the existing sloughs for foraging.

Although restoration design process will not start until after the acquisition and, therefore, acreages per habitat type will not be known until then, based on the high-level restoration vision of the SCBS, potentially 500 acres will be mid-marsh, 350 acres will be low marsh, and 300 acres will be mudflat. After NEPA and CEQA analysis is conducted, permits are obtained and the property is restored, native intertidal plant communities are expected to provide valuable habitat cover, nesting substrate, and food resources for a variety of birds and wildlife. Designated as an Important Bird Area by the National Audubon Society, the future restoration phase of the project has the potential to provide habitat, food, and shelter for millions of shorebirds and waterfowl that migrate along the Pacific Flyway through the baylands or winter there every year, including northern shoveler, canvasback, ruddy duck, bufflehead, and greater scaup.

PROJECT FINANCING

<u>Acquisition – Easement</u>	\$5,520,000
NRCS (Pending, initial approvals secured): \$5,520,000	
<u>Acquisition – Fee Title</u>	\$1,472,000
San Francisco Bay Restoration Authority: \$1,000,000	
Other Sources (Pending): \$472,000	
<u>Initial Stewardship</u>	\$317,000
San Francisco Bay Restoration Authority: \$317,000	
San Francisco Bay Restoration Authority Total: \$1,317,000	
Project Total	\$7,309,000

The Authority’s proposed grant of \$1,317,000 will contribute \$1,000,000 to the acquisition of fee title following NRCS’s purchase of the WRE and \$317,000 towards initial stewardship costs during the three years prior to restoration. The total purchase price for the property is \$6,992,000, which is based on NRCS’s appraisal of the WRE (\$5,520,000) and SLT’s appraisal of the fee title encumbered by the WRE (\$1,472,000).

SLT is continuing to raise the additional funds needed for stewardship costs and will provide an in-kind contribution of \$248,022 to the project, consisting primarily of staff time.

Staff anticipates bringing a request for a funding augmentation of \$733,000 for SLT’s stewardship activities after NRCS completes restoration design and environmental documentation, estimated to occur in 2025. The staff recommendation would include recommended CEQA findings for stewardship activities during and after restoration based on the environmental documentation for the potential restoration project.

If the land is transferred to the Refuge or another conservation partner prior to SLT’s use of all the stewardship funds, the remaining stewardship funds will not be disbursed and the funding will be made available for other projects.

CONSISTENCY WITH AUTHORITY'S ENABLING LEGISLATION, THE SAN FRANCISCO BAY RESTORATION AUTHORITY ACT:

The San Francisco Bay Restoration Authority Act (SFBRA Act), Government Code section 66704.5, authorizes the Authority to grant funds for eligible projects. The proposed project is consistent with Section 66704.5(a) because SLT is an eligible grantee as a non-profit organization focused on land conservation, restoration, and stewardship, and the project is within the Authority's jurisdiction. It is consistent with 66704.5(b) of the SFBRA Act because it will facilitate future restoration of tidal wetlands along the shoreline of San Francisco Bay. The project is eligible for a grant under section 66704.5(e), which provides that grant awards may be used to support all phases of planning, construction, monitoring, operation, and maintenance for eligible projects. Acquisition and stewardship of the Camp 4 Ranch property are a necessary phase of an eligible tidal wetland restoration project. In its Request for Proposals for Grant Round 4, the Authority authorized inclusion of acquisitions as eligible for funding. This project will be the first acquisition funded by the Authority, if authorized. The SFBRA Act allows for the Authority to fund acquisitions, but it cannot acquire land itself.

CONSISTENCY WITH MEASURE AA PROGRAMS AND ACTIVITIES:

The project is consistent with the Vital Fish, Bird and Wildlife Habitat Program's purpose to significantly improve wildlife habitat that will support and increase vital populations of fish, birds, and other wildlife in and around the Bay by increasing reliability and resilience of the San Pablo Bay Baylands. The project will facilitate future restoration and protection of wetlands for a number of important fish, bird, and mammal species of concern, including the salt marsh harvest mouse, Ridgway's rail, and numerous other shorebirds and songbirds. It will also support this program by providing for stewardship to prevent damage to the property that could reduce its future habitat value. The project is consistent with the Safe, Clean Water and Pollution Prevention Program's purpose of removing harmful toxins from the Bay in order to provide clean water for fish, birds, wildlife and people. It will accomplish this objective by facilitating future restoration of wetlands that provide natural filters and remove pollution from the Bay's water. By acquiring the Camp 4 Ranch property, the project will enable future potential opportunities for limited public access and recreation, including the potential to convert an existing barn into a staging area for recreational activities.

CONSISTENCY WITH MEASURE AA PRIORITIZATION CRITERIA:

1. **Greatest positive impact.** The project will have a significant positive impact on the Bay by implementing the SCBS and advancing the restoration vision of the Baylands Ecosystem Habitat Goals Science Update (2015) – to create a large, connected, protected landscape of restored marshes from Novato to Vallejo. It will enable future restoration that can provide habitat for endangered species, including Ridgway's rail and salt marsh harvest mouse and foraging and wintering habitat for hundreds of thousands of waterfowl and shorebirds along the Pacific Flyway. The site also has the potential to enable limited public access and recreation and could potentially be used for SLT's Bay Camp, which provides a summer camp for children from disadvantaged communities.
2. **Greatest long-term impact.** The project will benefit future generations by contributing to climate resilience. The restoration design will factor in sea level rise and the future restoration will contribute to carbon sequestration.

3. **Leveraging resources and partnerships.** The project will leverage significant federal resources from the NRCS, which will contribute over 75% of the project funding. (See PROJECT FINANCING section above.) The project relies on a private landowner as a willing seller. The project is supported by the San Pablo Baylands CPR Project partners (see Exhibit 5).
4. **Benefits to economy.** The project will benefit the region's economy by facilitating a potential wetlands restoration project that will enable creation of jobs related to wetland design, construction and stewardship.
5. **Stewardship.** The project incorporates stewardship by SLT and its partners prior to construction to prevent damage to the property that could reduce its future habitat value.
6. **Coastal Conservancy's San Francisco Bay Area Conservancy Program.** The project is consistent with the Coastal Conservancy's San Francisco Bay Area Conservancy Program in the following ways.
 - a. The project is supported by adopted local/regional plans including:
 - **CA Climate Adaptation Strategy/Safeguarding California: Reducing Climate Risk Plan:** The project advances many Safeguarding California strategies for resilience to climate change. The wetlands restoration facilitated by this acquisition will increase resilience, improve hydrology with the potential for reducing flooding, and sequester carbon.
 - **Sonoma Creek Baylands Strategy:** Acquisition and restoration of the Camp 4 is part of this larger restoration planning effort for the Sonoma Creek Baylands. The SCBS, funded by Measure AA, is a plan to restore up to 10,000 acres of diked former baylands, with a focus on linking restored wetlands to upland habitat. Due to its location between Skaggs Island and Camp 2, acquisition and restoration of the Camp 4 is vital to the long-term success of this larger restoration strategy.
 - **Baylands Ecosystem Habitat Goals Science Update 2015.** The project promotes the goal for the North Bay subregion to create an unbroken band of restored marshes from the Novato to Vallejo as soon as possible and reconnect the San Pablo Baylands to the Sonoma Creek watershed by 2030.
 - b. The project serves a regional constituency in the Sonoma Baylands and surrounding communities, which supports large-scale habitat restoration in the North Bay.
 - c. The project can be implemented in a timely way. Acquisition will be completed by fall 2023. Restoration planning, permitting, and environmental review are expected to be completed by early 2025.
 - d. The project provides opportunities for benefits that could be lost if it is not quickly implemented as the property could be purchased by another buyer.
 - e. The project leverages funding from NRCS.
8. **San Francisco Bay Conservation and Development Commission's Coastal Management Program.** The project is consistent with BCDC's Coastal Management program. BCDC has placed a high priority on tidal restoration to provide important habitat functions and improve water quality.

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- a. Tidal Marshes and Mudflats Policy 5: Where feasible, 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 or should be managed to provide important Bay habitat functions, such as resting, foraging and breeding habitat for fish, other aquatic organisms, and wildlife.
 - b. Water Quality Policy 1: The Bay's tidal marshes, tidal flats, and water surface area and volume should be conserved and, whenever possible, restored and increased to protect and improve water quality.
 - c. Fish, Other Aquatic Organisms and Wildlife Policy 1: To assure the benefits of fish, other aquatic organisms and wildlife for future generations, to the greatest extent feasible, the Bay's tidal marshes, tidal flats, and subtidal habitat should be conserved, restored and increased.
9. **San Francisco Bay Joint Venture's Implementation Strategy.** The project is consistent with, and helps achieve, the SFBJV Implementation Strategy. SLT has consulted with the SFBJV staff about this project and has requested that the acquisition be added to the agenda of a future SFBJV's Conservation Committee meeting. In addition to meeting the primary objectives of protecting, restoring, and enhancing bay habitats and including monitoring as part of habitat restoration and enhancement projects, the project also helps meet the implementation strategy's acreage targets for the North Bay subregion.

COMPLIANCE WITH CEQA

The project is exempt from CEQA under Section 15325, which exempts acquisition of land to preserve open space and habitat, with examples including acquisition to allow restoration of natural conditions and Section 15301, which exempts maintenance of the existing landscape involving no expansion of existing or former use. Upon approval of the project, staff will file a Notice of Exemption. The restoration activities are not exempt from CEQA, but the scope and details of restoration have yet to be determined and therefore it is too soon in the planning process for CEQA review of restoration. NRCS will serve as the lead agency for NEPA/CEQA documentation for the restoration.