# 16. Reef to Ridge Coastal Forest Protection Project Mendocino County \$4,480,000

This proposal is to consider the allocation for a grant to The Nature Conservancy for a cooperative project with CalFire, State Coastal Conservancy (SCC), and the California Natural Resources Agency to acquire a conservation easement (Easement) over 23,681± acres of native forest habitats, including redwood, Douglas fir and grand fir in the upland zones, and mature red alder forests within the riparian zone, within the Ten Mile River watershed.

# LOCATION and SURROUNDING USES

The property (Property), commonly known as the Hawthorne Ranch, is located along the Ten Mile River in northern Mendocino County. The Property encompasses the South, Middle, and North forks of the Ten Mile River, approximately seven and one-half miles north of the town of Fort Bragg and directly north-east of MacKerricher State Park. Elevations of the Property range from sea level to around 3,000 feet.

Conservation of the Ten Mile River watershed has been the subject of significant interorganizational coordination, planning, and protection as one of the most important fisheries watersheds along the northern coast of California. The watershed and its estuarine wetlands have been prioritized for protection in planning efforts led by the Mendocino Land Trust, The Conservation Fund, and the United States Environmental Protection Agency. The Conservation Fund has recently purchased the adjacent Smith-Vest Ranch with assistance from the SCC, and plans to protect it long-term via a conservation easement. Additionally, the Wildlife Conservation Board (WCB) and SCC funded the conservation easements of the Perry-Smith Ranch, an 872± acre property and the 2,540± Parker Ranch, both of which are adjacent to the Property.

TNC plans to hold and monitor the Easement and coordinate any future science and planning activity related to the management of the Property. TNC also intends to collaborate with Lyme Redwood, the property owner, to coordinate watershed-wide monitoring activities and to pursue joint restoration projects when appropriate. Taken together, these projects will permanently protect the coastal portion of the Ten Mile River watershed that is the most threatened by development. This zone serves as the critical linkage and transition zone between the Pacific Ocean and MacKerricher State Park to the west, and the upper watershed and salmonid spawning grounds and expansive forests to the east.

The Ten Mile River and its associated estuary have been specifically mentioned as high priorities in several recovery plans for threatened and endangered species, including the State and Federal Central California Coast Coho Salmon, Evolutionary Significant Unit, Recovery Plan (Draft, 2008) and the Recovery Plan for the Tidewater Goby (USFWS, 2005). Just offshore, under the jurisdiction of California Department of Fish and Wildlife's (CDFW) Marine Region, are the Marine Protected Areas known as the Ten Mile Beach State Marine Conservation Area and the Ten Mile Estuary Marine Conservation Area. The watershed contains one of the healthiest remaining populations of Central California Coast Coho salmon in Mendocino County and the estuary harbors one of the largest populations of tidewater goby in northern California. In addition, Chinook salmon and steelhead trout also spawn and rear in the watershed. One important factor of the Ten Mile River watershed is that the entire watershed is essentially intact with no significant fish barriers. Protecting the Ten Mile River watershed represents one of the best remaining opportunities to preserve and maintain an entire intact fisheries habitat and watershed along the northern California coast.

#### PROJECT DESCRIPTION

The Property is irregularly shaped and consists of 77 parcels totaling 23,681 ± acres. The Property, Ten Mile River and other smaller streams on the property are threatened by degradation through intensive logging, or possible conversion to other non- forest or habitat supporting uses. The proposed Easement acquisition will address these threats through permanent protection and stewardship by TNC. The Property consists of coastal forest including low-elevation riparian forests dominated by red alder and upland forests comprised of grand fir, redwood, and Douglas fir. The Property also includes grassland and scrub zones that contain rare coastal prairie and northern coastal scrub habitats, as well as coastal wetlands, most of which are of regionally declining wetland types.

The Easement will help conserve a number of protected forest habitat types that are found on the Property and the species they support such as the state and federally listed threatened Northern spotted owl. Protection of this Property will contribute to the region's economic stability by ensuring that the area remains a working forest into the future. These objectives are aligned with the principles of WCB's Forest Conservation Program as the project will maintain the structural and ecological integrity of a portion of native California forest habitat as well as ensure that the forest will remain working into the future and contribute to the landowners' and region's economic viability. If this project is not completed, the likely consequence will be future development and possible conversion of the area's valuable forest habitat. The Easement will also help conserve the ecological integrity of the low elevation forest and riverine habitat in the Ten Mile River watershed. providing habitat for a number of important and rare fish species including the Central California Coast Coho salmon, Chinook salmon, steelhead trout and tidewater goby. Forest zones on the Property provide nesting habitat for northern spotted owls and marbled murrelets. Other conservation targets to be protected via the project include North Coast riparian forest and scrub, pacific fisher, southern torrent salamanders, tailed frogs, red tree vole, mountain lions and wet/montane meadows. There is also a possibility Roosevelt elk may occasionally utilize the watershed and would benefit from the protection of the Property.

Ten special status plant species and one special status lichen species occur on the Property or in the immediate vicinity. Of these, the leafy-stemmed miterwort and Lyngbye's sedge are most likely to be associated with wetland habitats and benefit from wetland protection on the Property.

# WCB PROGRAMS

The proposed grant for this project is being considered under the WCB's Forest Conservation Program (Program). Grant proposals are evaluated and selected for funding by WCB staff based on established criteria approved by the Board, utilizing a peer review process involving biological and forestry expertise from CDFW and CalFire. The Program seeks to promote the ecological integrity and economic stability of California's diverse native forests through conserving, preserving and restoring productive managed forestlands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats for native fish and wildlife and plants found on these lands. One of the primary objectives of the Program is the protection and conservation of working forests and productive managed forestlands. Selected projects promote the restoration and/or maintenance of the ecological integrity and economic stability of the property in the context of the surrounding landscape and regional economy.

# STRATEGIC PLAN GOALS

The project meets the following Strategic Plan Goals:

Goal A.1 – Fund projects and landscapes that provide resilience for native wildlife and plant species in the face of climate change.

The project conserves natural forest and riparian habitat that support healthy fish, wildlife and plant populations and ecosystem functions in a changing climate. Furthermore, the project protects connectivity areas between critical habitats to allow the movement of species in response to climate change.

Goal A.2 - Fund projects and landscape areas that conserve, protect or enhance water resources for fish and wildlife.

This project will protect sources of water for the Ten Mile River coming from numerous springs and tributaries on the Property. Protection of the Property's natural floodplain and riparian vegetation will allow for improved water quality and reduction of downstream flooding on the lower portions of the Ten Mile River.

Goal A.5 – Improve transparency and efficiency of WCB and CDFW project evaluation and recommendations to approve or deny applications.

The project was submitted under WCB's Forest Conservation Program. To qualify and be approved under the Program, the application must be reviewed and assessed by a review panel comprised of qualified biologists and foresters. The review panel is consists of members representing CalFire, CDFW, and WCB. All aspects of the project are evaluated by the panel to determine whether the project meets all Program requirements. This project has met all requirements under the Program. Any concerns uncovered during the evaluation have been addressed by the landowner and/or have been incorporated in the terms of the Easement.

# MANAGEMENT OBJECTIVES AND NEEDS

TNC will be responsible for monitoring and managing the Easement according to the terms of the Easement. Allowable uses include harvesting, removal of timber, and other forest management activities in accordance with the Timber Management Plan developed for the Property. Prior to disbursement of funds a baseline conditions report of the Property's resource values will have been completed by TNC and approved by the WCB. The baseline report will be the basis from which TNC will conduct future monitoring for compliance with the terms of the Easement. The Easement does not convey a general right of access to the public but allows docent led visits as well as access to both TNC and WCB for monitoring purposes.

# **TERMS**

The Property owner agreed to sell the Easement to TNC for \$17,100,000.00, which is \$1,845,000 below the appraised fair market value of \$18, 945,000. as approved by the Department of General Services (DGS). DGS reviewed the appraisal as well as the appraisal review provided by an independent reviewer and timber valuation provided by a registered professional forester (RPF). Under terms of the grant, WCB staff is responsible for review of all acquisition-related documents prior to disbursement of grant funds. In the event of a breach of the grant terms, the WCB can seek specific performance of the grant or require the grantee to transfer the Easement to WCB or another qualified holder.

# PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board		4,450,000
CalFire		5,000,000
State Coastal Conservancy		1,150,000
Caltrans EEM (CNRA)		1,000,000
The Nature Conservancy		5,500,000
	Total Purchase Price	17,100,000
Other Project Related Admin. Costs		30,000
	Total WCB Allocation	\$4,480,000

It is estimated that an additional \$30,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review and independent timber appraisal review. The grantee will fund all other appraisal, escrow and title insurance costs.

# WCB FUNDING SOURCE

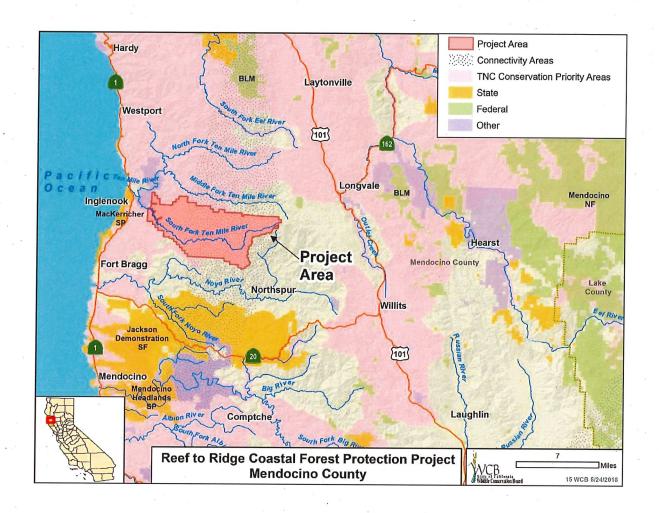
The purposes of this project are consistent with the authorized uses of the proposed funding source, which allows for forest conservation and protection projects in order to promote the ecological integrity and economic stability of California's diverse native forests, through forest conservation, preservation and restoration of productive managed forestlands, forest reserve areas, redwood forests and other forest types, including the conservation of water resources and natural habitats for native fish, wildlife and plants found on these lands. [Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a)]

# ENVIRONMENTAL COMPLIANCE.

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under the State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3) Section 15313, Class 13, as an acquisition of lands for fish and wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in lands to preserve open space and existing natural conditions, including plant and animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

# STAFF RECOMMENDATION

Staff recommended that the Wildlife Conservation Board approve this project as proposed; allocate \$4,480,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(a) for the grant and to cover internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the California Department of Fish and Wildlife to proceed substantially as planned.



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