

DEPARTMENT OF FISH AND GAME

WILDLIFE CONSERVATION BOARD

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NOTICE OF MEETING
WILDLIFE CONSERVATION BOARD

February 23, 2012
10:00 AM
1/ State Capitol, Room 112
Sacramento, California 95814

FINAL AGENDA ITEMS

ITEM NO.		PAGE NO.
1.	Roll Call	1
2.	Funding Status – Informational	2
3.	Proposed Consent Calendar (Items 4 – 13)	7
*4.	Approval of Minutes – July 26, 2011 and December 8, 2011	7
*5.	Recovery of Funds	7

* Proposed Consent Calendar

1/ These facilities are accessible to persons with disabilities

ITEM NO.		PAGE NO.
*6. Arcata Community Forest Expansion (Schmidbauer) Humboldt County	\$650,000.00	10

To consider the allocation for a grant to the City of Arcata for a cooperative project with the Trust for Public Land to acquire fee title in 22± acres of land for the expansion of the City of Arcata's Community Forest, a mixed conifer managed working forest, located adjacent and east of the City of Arcata, in Humboldt County. The project will also protect riparian areas, the upper watersheds of salmonid streams, provide wildlife area linkages and will allow for public access and use. 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 forest lands, 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)]

*7. Swiss Ranch Conservation Easement, Expansion 4 Calaveras County	\$555,000.00	13
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To consider the acquisition of a conservation easement for the Department of Fish and Game over 468± acres of land for protection of critical habitat for the migratory Rail Road Flat deer herd, located in the Sierra foothills west of Summit Level Road and north of Swiss Ranch Road in the Mountain Ranch area of Calaveras County. The purposes of this project are consistent with the authorized uses of the proposed funding source, which allows for the acquisition of habitat, including native oak woodlands, to protect deer and mountain lions. [Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(a)]

ITEM NO.		PAGE NO.
*8.	North Grasslands Wildlife Area Habitat Restoration Merced County	\$327,000.00 16

To consider the allocation for a grant to Ducks Unlimited, Inc., for a project to restore approximately 140 acres of wetland, associated upland, and riparian habitat on Department of Fish and Game owned land commonly known as North Grasslands Wildlife Area, Gadwall Unit, located 2 miles east of the City of Los Banos; and to provide dependable water supplies to 1,200± acres of wetland habitat by reinforcing security measures at the pump station at North Grasslands Wildlife Area, China Island Unit, located 3 miles east of the town of Newman, in Merced County. [Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f) (Proposition 1E)]

*9.	Pajaro Valley Riparian Restoration Santa Cruz County	\$263,000.00 19
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To consider the allocation for a grant to Watsonville Wetlands Watch for a cooperative project with the Department of Fish and Game, the Land Trust of Santa Cruz County, the City of Watsonville and the Santa Cruz Resource Conservation District to restore 6± acres of riparian habitat located along Struve Slough, West Struve Slough and Hanson Slough in Santa Cruz County. The purposes of this project are consistent with the authorized uses of the proposed funding source, which allows for the acquisition, restoration or enhancement of riparian habitat and aquatic habitat for salmonids and trout to protect or enhance a flood protection corridor or bypass. [Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f) (Proposition 1E)]

*10.	San Joaquin River Parkway, Lewis S. Eaton Trail River West CEQA, EIR Augmentation Fresno County	\$200,000.00 23
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To consider the allocation for an augmentation of a previously approved grant to the San Joaquin River Conservancy (Conservancy) for a cooperative project with the City of Fresno to implement environmental review and facilitate public participation for a proposal to extend the Lewis S. Eaton Trail from its terminus in the City of Fresno's Woodward Park through the Conservancy's River West property located immediately west of State Highway 41 in Fresno County. The purposes of this project are consistent with the proposed funding source that allows for the acquisition, development, rehabilitation, restoration and protection of lands located within the boundaries of the San Joaquin River Conservancy. [California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(b)(5)]

ITEM NO.		PAGE NO.
*11.	DFG Land Management Plans, Central Coast Region, Phase II, EIR Augmentation San Luis Obispo County To consider the allocation for an amendment to an existing grant to the California Wildlife Foundation to develop an environmental impact report for the Land Management Plan for the Carrizo Plains Ecological Reserve located in San Luis Obispo County. The proposed funding source allows for the preparation of management plans for DFG lands acquired by WCB. [California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (P40), Public Resources Code Section 5096.650]	\$259,000.00 26
*12.	Santa Rosa Mountains, Expansions 14 and 15 Riverside County To consider the acquisition in fee of 30± acres of land by the Department of Fish and Game (DFG) for a cooperative project with Coachella Valley Mountains Conservancy and U. S. Fish and Wildlife for the protection of Peninsular bighorn sheep habitat and to provide future wildlife oriented public use opportunities, as an expansion to the DFG's Santa Rosa Wildlife Area located south of the City of La Quinta in Riverside County. The purposes of this project are consistent with the authorized uses of the proposed funding source, which provides matching funds for the acquisition, restoration or protection of habitat or habitat corridors that promote the recovery of threatened, endangered, or fully protected species. [Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund (Proposition 12), Public Resources Code Section 5096.350(a)(5)]	\$145,000.00 29
*13.	Upper Mission Creek / Big Morongo Canyon Conservation Area, Expansions 1—4 Riverside County To consider the acceptance of a U.S. Fish and Wildlife Service Habitat Conservation Planning grant and the approval to subgrant these federal funds to the Coachella Valley Mountains Conservancy to acquire in fee 235± acres of land for the protection of core habitat, linkages, fluvial and aeolian sand transport corridor, alluvial fan habitat, and mountainous habitat important for the Coachella Valley fringe-toed lizard, Peninsular bighorn sheep, and other species addressed in the Coachella Valley Multi-Species Habitat Conservation Plan and provide future wildlife oriented public use opportunities, located north of the City of Palm Springs in Riverside County. The purposes of this project are consistent with the authorized uses of the proposed funding source, which allows for the acquisition and protection of habitat that implements or assists in the establishment of Natural Community Conservation Plans. [Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c)]	\$20,000.00 32

ITEM NO.		PAGE NO.
14.	Ash Creek Wildlife Area Habitat Restoration Modoc and Lassen Counties	\$2,450,115.00 36

To consider the allocation for a grant to the Pit Resource Conservation District for a cooperative project with the Department of Fish and Game (DFG) to restore 1,500± acres, protecting± 1,085 intact wetlands from increased head-cutting, and integrating the water delivery system to meet downstream water rights and management of seasonal wetlands on DFG's Ash Creek Wildlife Area, located in Lassen and Modoc Counties. [Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f) (Proposition 1E)]

15.	Miller Forest Humboldt County	\$1,228,750.00 39
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To consider the allocation for a grant to the Northcoast Regional Land Trust to acquire a conservation easement over 1,622± acres of land for the protection of the property's diverse native forests and riparian habitat areas, the conservation and protection of managed forest lands and forest reserve areas that include Port Orford cedar and Douglas-fir located and habitat corridor linkages, located within the Willow Creek watershed, a salmonid stream and tributary to the Trinity River, just north of State Route 299, approximately 30 miles east of the City of Arcata, in Humboldt County. 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 forest lands, 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)]

ITEM NO.**PAGE NO.**

16. Noyo River Redwood Conservation Property \$4,010,000.00
Mendocino County

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To consider the allocation for a grant to the Mendocino Land Trust for a cooperative project with Save the Redwoods League to acquire 428± acres of land located westerly of the City of Willits in Mendocino County. The project will protect significant stands of redwood and Douglas-fir forests as well the riparian corridor of the upper Noyo River and tributaries for the conservation of salmonid and steelhead spawning areas in the upper reaches of the Noyo River. The project will also provide habitat linkages and some limited public access via Mendocino Railway (Skunk Train) with about 6 miles of track through the subject property. 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 forest lands, 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)]

17. Salmon Falls Reserve, \$2,365,000.00
Expansion 2
El Dorado County

46

To consider the allocation for a grant to the American River Conservancy for a cooperative project with the California Natural Resources Agency to acquire 605± acres of oak woodland, chaparral, riparian and grassland habitat to prevent habitat fragmentation, to protect significant natural landscapes and ecosystems and for potential expansion of outdoor recreational uses. The property is located along the north shore of Folsom Lake, near the confluence with south fork of the American River, approximately 10 miles northeast of the town of Folsom in El Dorado County. The purposes of this project are consistent with the authorized uses of the proposed funding source, which allows for the acquisition, development, rehabilitation, restoration and protection of habitat to promote the recovery of threatened and endangered species, to provide corridors linking separate habitat areas to prevent habitat fragmentation, and to protect significant natural landscapes and ecosystems and other significant habitat areas. [California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(a)]

ITEM NO.		PAGE NO.
18.	Dos Rios Ranch Stanislaus County	\$5,509,000.00 50

To consider the allocation for a grant to the River Partners for a cooperative project with California Natural Resources Agency, Department of Water Resources, U.S. Natural Resource Conservation Service, U.S. Fish and Wildlife Service, San Francisco Public Utility Commission, and Tuolumne River Preservation Trust to acquire in fee 1,603± acres of valley floodplain and riverine habitat for protection of special status species habitat including Chinook salmon, steelhead trout and riparian brush rabbits, and to provide future wildlife oriented public use and recreational opportunities. The property is located 20 minutes west of Modesto, south of Paradise Road and west of Shiloh Road. The purposes of this project are consistent with the proposed funding source that allows for the acquisition and protection of habitat to protect rare, endangered, threatened or fully protected species within a floodplain or flood corridor. [Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(b/c)(1E)]

19.	Appraisal Review and Disclosure Statewide	Informational/Action 54
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To consider a new Wildlife Conservation Board (Board) policy governing the review and disclosure of appraisal information and to require an independent, third party review of appraisals for acquisition projects comprised of 5,000 or more acres or for which the Board proposes to allocate five million dollars (\$5,000,000) or more of State funds.

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WILDLIFE CONSERVATION BOARD

February 23, 2012
10:00 AM
1/ State Capitol, Room 112
Sacramento, California 95814

1. Roll Call

WILDLIFE CONSERVATION BOARD MEMBERS

Charlton H. Bonham, Chair
Director, Department of Fish and Game

Ana Matosantos, Member
Director, Department of Finance

Daniel W. Richards, Member
President, Fish and Game Commission

JOINT LEGISLATIVE ADVISORY COMMITTEE

Senator Jean Fuller
Senator Fran Pavley
Senator Lois Wolk

Assembly Member Michael Allen
Assembly Member Richard Gordon
Assembly Member Jared Huffman

EXECUTIVE DIRECTOR

John P. Donnelly

2. Funding Status – Informational

(a) 2011-12 Wildlife Restoration Fund Capital Outlay Budget

Budget Act	\$1,000,000.00
Previous Board Allocations	<u>-259,000.00</u>
Unallocated Balance	\$741,000.00

(b) 2011-12 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,663,000.00
Previous Board Allocations	<u>-29,000.00</u>
Unallocated Balance	\$20,634,000.00

(c) 2010-11 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,668,000.00
Previous Board Allocations	<u>-2,678,284.00</u>
Unallocated Balance	\$17,989,716.00

(d) 2009-10 Habitat Conservation Fund Capital Outlay Budget

Budget Act	\$20,668,000.00
Previous Board Allocations	<u>-11,045,759.00</u>
Unallocated Balance	\$9,622,241.00

(e) 2007-08 Habitat Conservation Fund Capital Outlay Budget
(2011-12 Reappropriation)

Budget Act	\$20,674,000.00
Previous Board Allocations	<u>-13,568,306.08</u>
Unallocated Balance	\$7,105,693.92

(f) 2006-07 Habitat Conservation Fund Capital Outlay Budget
(2009-10 Reappropriation)

Budget Act	\$20,699,000.00
Previous Board Allocations	<u>-12,213,358.30</u>
Unallocated Balance	\$8,485,641.70

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(g)	2006-07 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act	\$15,224,000.00
	Previous Board Allocations	<u>-12,808,009.00</u>
	Unallocated Balance	\$2,415,991.00
(h)	1999-00 Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund Capital Outlay Budget	
	Continuously Appropriated [Sec. 5096.350 (a)(1), (2), (4) & (7)]	\$36,100,000.00
	Previous Board Allocations	<u>-29,797,243.45</u>
	Unallocated Balance	\$6,302,756.55
(i)	2004-05 California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (San Joaquin River Conservancy Projects)	\$11,000,000.00
	Previous Board Allocations	<u>-3,890,302.94</u>
	Unallocated Balance	\$7,109,697.06
(j)	Chapter 983, Statutes of 2002, Oak Woodlands Conservation Act	
	Budget Act (2009-10 Reappropriation)	\$4,800,000.00
	Previous Board Allocations	<u>-4,586,689.51</u>
	Unallocated Balance	\$213,310.49
(k)	2001-02 California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund Capital Outlay Budget	
	Continuously Appropriated (Section 5096.650)	\$273,000,000.00
	Previous Board Allocations	<u>-217,270,099.05</u>
	Unallocated Balance	\$55,729,900.95
(l)	2003-04 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 Capital Outlay Budget (Section 79568) (2010-11 Reappropriation)	
	Budget Act	\$32,500,000.00
	Previous Board Allocations	<u>-21,681,299.35</u>
	Unallocated Balance	\$10,818,700.65

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(m) 2002-03 Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 Capital Outlay Budget

Continuously Appropriated (Sections 79565 and 79572), including Chapter 81, Statutes of 2005	\$814,350,000.00
2003-04 Budget Act Transfer to HCF from Section 79565	-21,000,000.00
2004-05 Budget Act Transfer to HCF from Section 79565	-21,000,000.00
2005-06 Budget Act Transfer to HCF from Section 79565	-4,000,000.00
2005-06 Budget Act Transfer to HCF from Section 79572	-3,100,000.00
2006-07 Budget Act Transfer to HCF from Section 79572	-17,688,000.00
2007-08 Budget Act Transfer to HCF from Section 79572	-5,150,000.00
2008-09 Budget Act Transfer to HCF from Section 79572	-1,000,000.00
Previous Board Allocations	<u>-660,530,654.65</u>
Unallocated Balance	\$80,881,345.35

(n) 2010-11 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget

Budget Act (San Joaquin River Conservancy Projects)	\$3,380,000.00
Previous Board Allocations	<u>-0.00</u>
Unallocated Balance	\$3,380,000.00

(o) 2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget

Budget Act (San Joaquin River Conservancy Projects)	\$10,000,000.00
Previous Board Allocations	<u>-0.00</u>
Unallocated Balance	\$10,000,000.00

(p) 2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget
(2010-11 Reappropriation)

Budget Act (San Joaquin River Conservancy Projects)	\$10,000,000.00
Previous Board Allocations	<u>-2,666,000.00</u>
Unallocated Balance	\$7,334,000.00

WCB Final Agenda for February 23, 2012 Board Meeting

(q)	2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Budget Act (NCCP Section 75055(c))	\$10,000,000.00
	2010-11 Budget Act Reversion	-3,000,000.00
	Previous Board Allocations	<u>-7,000,000.00</u>
	Unallocated Balance	\$0.00
(r)	2009-10 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Chapter 2, Statutes of 2009 (SB 8)	\$24,000,000.00
	Previous Board Allocations	<u>-4,097,646.00</u>
	Unallocated Balance	\$19,902,354.00
(s)	2008-09 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2011-12 Reappropriation)	
	Budget Act (NCCP Section 75055(c))	\$25,000,000.00
	Previous Board Allocations	<u>-8,108,614.00</u>
	Unallocated Balance	\$16,891,386.00
(t)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (NCCP Section 75055(c))	\$25,000,000.00
	Previous Board Allocations	<u>-14,043,156.00</u>
	Unallocated Balance	\$10,956,844.00
(u)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(1)),	\$14,293,000.00
	Previous Board Allocations	<u>-11,682,786.00</u>
	Unallocated Balance	\$2,610,214.00

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(v)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(2)),	\$14,293,000.00
	Previous Board Allocations	<u>-11,628,437.48</u>
	Unallocated Balance	\$2,664,562.52
(w)	2007-08 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget (2010-11 Reappropriation)	
	Budget Act (Section 75055(d)(4))	\$4,762,000.00
	Previous Board Allocations	<u>-2,585,339.78</u>
	Unallocated Balance	\$2,176,660.22
(x)	2006-07 Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 Capital Outlay Budget	
	Continuously Appropriated (Section 75055a)	\$164,700,000.00
	Previous Board Allocations	<u>-68,316,000.00</u>
	Unallocated Balance	\$96,384,000.00
	Continuously Appropriated (Section 75055(b))	\$123,525,000.00
	Previous Board Allocations	<u>-78,344,544.53</u>
	Unallocated Balance	\$45,180,455.47

RECAP OF FUND BALANCES

Wildlife Restoration Fund (a)	\$741,000.00
Habitat Conservation Fund (b), (c), (d), (e) and (f)	\$63,837,312.62
Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (g) and (h)	\$8,718,747.55
California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Bond Fund (i), (j) and (k)	\$63,052,908.50
Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (l) and (m)	\$91,700,046.00
Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (n), (o), (p), (q), (r), (s), (t), (u), (v), (w) and (x)	\$217,480,476.21
TOTAL – ALL FUNDS	\$445,530,490.88

RECAP OF NATURAL HERITAGE PRESERVATION TAX CREDIT ACT OF 2000

Chapter 113, Statutes of 2000 and Chapter 715, Statutes of 2004
 Tax credits awarded through June 30, 2008 \$48,598,734.00

Chapter 220, Statutes of 2009 (effective January 1, 2010)
 Tax credits awarded \$0.00

SUMMARY OF BOND CASH PROCEEDS

The following summary provides the status of the up-front general obligation bond sale proceeds that the Wildlife Conservation Board has received since the spring of 2009.

Bond Fund	Authorized GO Bond Proceeds	Expenditures through 01/24/12	Encumbrances through 12/31/11	Cash Balances Includes Encumbrances
Proposition 12	\$7,833,444.42	\$7,206,201.67	\$209,692.97	\$417,549.78
Proposition 40	\$52,763,470.74	\$36,032,568.35	\$30,412,480.10	(\$13,681,577.71)
Proposition 50	\$99,161,920.79	\$38,472,155.55	\$39,257,548.68	\$21,432,216.56
Proposition 84	\$185,719,637.97	\$166,682,247.99	\$39,320,557.48	(\$20,283,167.50)
Proposition 1E	\$37,485,238.22	\$14,414,973.30	\$20,904,447.32	\$2,165,817.60
Totals	\$382,963,712.14	\$262,808,146.86	\$130,104,726.55	(\$9,949,161.27)

- 3. Proposed Consent Calendar (Items 4 – 13)
- *4. Approval of Minutes – July 26, 2011 and December 8, 2011
- *5. Recovery of Funds

The following projects previously authorized by the Board are now completed, and some have balances of funds that can be recovered and returned to their respective funds. It is recommended that the following totals be recovered and that the projects be closed.

\$9,960.00 to the **Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund**
\$25,257.00 to the **California Clean Water, Clean Air, Safe**

Neighborhood Parks, and Coastal Protection Fund
\$140,504.50 to the **Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006**

SAFE NEIGHBORHOOD PARKS, CLEAN WATER, CLEAN AIR, AND COASTAL PROTECTION BOND FUND

Baxter Ranch, Sonoma County

Allocated	\$2,360,242.00
Expended	<u>-2,350,282.00</u>
Balance for Recovery	\$9,960.00

Total Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund \$9,960.00

CALIFORNIA CLEAN WATER, CLEAN AIR, SAFE NEIGHBORHOOD PARKS, AND COASTAL PROTECTION FUND

Elkhorn Slough Ecological Reserve, Expansion 18, Monterey County

Allocated	\$220,000.00
Expended	<u>-205,522.00</u>
Balance for Recovery	\$14,478.00

Santa Cruz Long-Toed Salamander, Larkin Valley, Santa Cruz County

Allocated	\$60,000.00
Expended	<u>-49,221.00</u>
Balance for Recovery	\$10,779.00

Total California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund \$25,257.00

SAFE DRINKING WATER, WATER QUALITY AND SUPPLY, FLOOD CONTROL, RIVER AND COASTAL PROTECTION FUND OF 2006

Arcata Community Forest Expansion (Morris), Humboldt County

Allocated	\$1,956,000.00
Expended	<u>-1,952,328.50</u>
Balance for Recovery	\$3,671.50

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Carlsbad/Northwest San Diego County MHCP HCPLA/NCCP 2010 (Perkins),
San Diego County

Allocated	\$1,256,250.00
Expended	<u>-1,251,250.00</u>
Balance for Recovery	\$5,000.00

Santa Rosa Plateau Ecological Reserve, Tenaja Corridor, Expansion 1-10
Riverside County

Allocated	\$145,000.00
Expended	<u>-23,167.00</u>
Balance for Recovery	\$121,833.00

Southern Sierra Nevada Mountains, Rudnick Ranch, Kern County

Allocated	\$5,010,000.00
Expended	<u>-5,000,000.00</u>
Balance for Recovery	\$10,000.00

**Total Safe Drinking Water, Water Quality and Supply, \$140,504.50
Flood Control, River and Coastal Protection Fund of 2006**

- *6. Arcata Community Forest Expansion \$650,000.00
(Schmidbauer)
Humboldt County

This proposal is to consider the allocation for a grant to the City of Arcata for a cooperative project with the Trust for Public Land (TPL) to acquire in fee 22± acres of land for the expansion of the Arcata Community Forest, a mixed conifer working forest. The project will also protect riparian areas, the upper watersheds of salmonid streams, preserve wildlife area linkages and offer potential future opportunities to develop and expand wildlife oriented public uses in the area.

LOCATION AND SURROUNDING USES

The subject property (Property) is located east of the City of Arcata (City) in close proximity to and accessible from Fickle Hill Road. North of the Property is the Arcata Community Forest (Community Forest), a 793-acre protected working forest and park area managed by the City. To the south is the 175-acre Sunny Brae forest property that the City purchased in August of 2007, funded in part by a grant allocation from the Wildlife Conservation Board (WCB/Board) and a donation under the WCB's Natural Heritage Tax Credit Program. Acquisition of the Property will help link the Sunny Brae Forest with the Community Forest and provide a potential future opportunity to expand public access and connection between these two protected areas. Further south is the Jacoby Creek watershed, a major salmonid stream and tributary into Humboldt Bay. The WCB has made a number of grants to the City and the Jacoby Creek Land Trust for acquisitions within the Jacoby Creek watershed.

The land use near the subject property has been slowly undergoing a change from working forests to subdivision and development of single family residences on small acreage parcels. More intensive residential and commercial development has occurred to the west of the Property, which eventually merges with the City.

PROJECT DESCRIPTION

The Property is irregularly shaped and consists of two assessor parcels totaling 22± acres in size. The Property has high quality coastal redwood, Douglas fir, aquatic and riparian habitat and contains portions of the headwaters of both Beith and Grotzman Creeks. It has historically been a working forest as have most of the surrounding properties. Currently the Property and streams are threatened by degradation through a number of potential uses, including intensive logging, subdivision and conversion to residential use. The proposed acquisition of the Property will address these threats through the permanent protection of the property.

These practices will help preserve coastal redwood habitat and reduce the degradation of streams and watersheds fed by the Property, providing additional downstream benefits to the tributaries and eventually Humboldt Bay. Improved

water quality will provide species benefits to salmonids, including Coho and Chinook salmon and steelhead, as well as other aquatic species within the tributary streams and Humboldt Bay. Acquisition of the site will also protect habitat for a number of species that are common to the area including the red tree vole, a California species of special concern (CSSC), northern spotted owl (CSSC), Del Norte salamander (CSSC), red-legged frog (a State threatened species), Cooper's hawk (CSSC), sharp-shinned hawk (CSSC), Pacific fisher (CSSC), and ring-tailed cat.

WCB PROGRAM

The proposed grant for this project is being considered under the WCB's Forest Conservation Program (Program). Program grant proposals are evaluated and selected for funding by WCB staff based on established criteria approved by the Board on November 17, 2007, utilizing a peer review process involving biological and forestry expertise, and input from the Department of Fish and Game (DFG). The Program seeks to promote the ecological integrity and economic stability of California's diverse native forests through conserving, preserving, and restoring productive managed forest lands, 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 forest lands. 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.

MANAGEMENT OBJECTIVES AND NEEDS

If approved, the Property will be managed as an expansion to the City's Community Forest. Management objectives include harvesting timber on a sustainable basis, maintaining and enhancing the integrity of the watershed, preserve wildlife, fisheries, and plant resources, and providing potential future recreation and educational opportunities for the community. The sustainable timber harvesting will provide revenue to assist in the development of parkland and recreational facilities in the City. Potential future public access opportunities include linking the Property to trail systems already established on other adjoining Arcata Community Forest properties.

TERMS

The property owners have agreed to sell the Property at the Department of General Services (DGS) approved appraised value of \$630,000.00. Under the terms of the grant, WCB staff is responsible for review of all acquisition-related documents prior to disbursement of grant funds. The terms and conditions of the proposed WCB grant to City provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of

funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$630,000.00
Other Project-Related Costs	<u>\$ 20,000.00</u>
TOTAL WCB ALLOCATION	\$650,000.00

It is estimated that an additional \$20,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review. The City and project proponent will fund the environmental assessment, appraisal, escrow, and title insurance costs.

FUNDING SOURCE

The purposes of this project are consistent with the authorized uses of the proposed funding source, 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), 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 forest lands, 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.

ENVIRONMENTAL COMPLIANCE

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

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$650,000.00 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 to proceed substantially as planned.

- *7. Swiss Ranch Conservation Easement, \$555,000.00
Expansion 4
Calaveras County

This proposal is to consider the acquisition on behalf of the Department of Fish and Game (DFG) of a conservation easement (Easement) over 468± acres of private land to prevent fragmentation of and protect important habitat for the migratory Rail Road Flat deer herd. The Easement will also conserve and help protect oak woodland, hardwood-conifer, mixed chaparral, and riparian habitats and contribute to habitat linkages and corridors connecting upper and lower Sierra mountain and foothill areas. The DFG will hold and monitor the Easement.

LOCATION AND SURROUNDING USES

This privately owned property is located in central Calaveras County, west of Summit Level Road and north of Swiss Ranch Road, approximately 18± miles northeast of San Andreas between the communities of Mountain House and Rail Road Flat. The property is within the approved Railroad Flat Deer Winter Range Conceptual Area Protection Plan (CAPP) and contains the headwaters for Esperanza Creek. The Wildlife Conservation Board (WCB/Board) allocated funding in 1985, 1988, 1998 and 2010, for the purpose of acquiring approximately 2,350 acres of conservation easements on lands immediately south and west of the subject property. Acquisition of this conservation easement will help to complete the linkage between the Eagle Ridge and Swiss Ranch protected areas to the immediate west with federal forest and Bureau of Land Management (BLM) land to the immediate east. The BLM land extends to federal forest land to its east and south with DFG managed Sheep Ranch Wildlife Area. Non-contiguous, but in close proximity, are the Calaveras Big Trees State Park and other protected federal forest land located further east and southeast of the subject property.

PROJECT DESCRIPTION

The subject property is essentially vacant, undeveloped, mountainous to hilly land, containing a variety of different habitats such as oak woodland, hardwood-conifer, mixed chaparral, and riparian. Protection of the land will help establish habitat corridors and connectivity between adjacent protected lands. The key species benefiting from this proposed Easement is the migrant California mule deer, with the entire property providing winter foraging habitat for large numbers of migrating mule deer. According to the DFG's Railroad Flat deer herd management plan, 75 percent of the winter range of this herd is located on privately owned lands. Private land uses in the area are gradually changing from large acreage cattle ranches to small acreage ranchettes. This change in use is fragmenting and reducing the size of these once large deer migration corridors and foraging areas, making public protection of these areas critical to maintaining

viable deer herd populations. The ranch also supports a variety of other wildlife, including black bear, mountain lion, bobcat, coyote, and California quail and will also provide benefits to ringtail cats and golden eagles that have been observed in and around the property.

WCB PROGRAM

The proposed acquisition is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the DFG, grant funds to other governmental entities or nonprofit organizations to acquire real property or rights in real property and accept federal funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires lands and interests in land that can successfully sustain or be restored to support wildlife and when practicable provide for suitable wildlife oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological values of property through development of a Land Acquisition Evaluation (LAE)/Conceptual Area Protection Plan (CAPP). The LAE/CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and, if approved, later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

This project provides the DFG with an opportunity to protect important habitat, benefiting a host of wildlife species, while incurring very little management costs. The Easement will be held by DFG and monitored in conjunction with its existing Swiss Ranch and Eagle Ridge conservation easements. DFG estimates that 1-2 person days per year would be needed to conduct an onsite inspection to monitor the conservation easement area. DFG will hold title to the Easement and will monitor the property on an annual basis to ensure that conservation easement conditions are being met.

TERMS

The Easement has been appraised as having a fair market value of \$540,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The property owner has agreed to sell the conservation easement to the DFG for the DGS approved appraised fair market value of \$540,000.00. The terms and conditions of the proposed property acquisition agreement provide that staff of the WCB will review and approve all title documents, appraisals, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition.

PROJECT FUNDING

The WCB will fund the entire purchase price of the Easement, which is \$540,000.00. It is estimated that an additional \$15,000.00 will be needed to cover project-related expenses, including appraisal costs, DGS review costs and escrow fees, bringing the total recommended allocation for this proposal to \$555,000.00.

The proposed funding breakdown for the project is as follows

Wildlife Conservation Board	\$540,000.00
Other Project-Related Costs	<u>\$ 15,000.00</u>
TOTAL WCB Allocation	\$555,000.00

FUNDING SOURCE

The proposed funding source for this project is the Habitat Conservation Fund, Fish and Game Code Section 2786(a) that provides funding for protection of deer, mountain lion, and oak habitats and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE

The acquisition has been reviewed for compliance with the California Environmental Quality Act (CEQA) requirements and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$555,000.00 from the Habitat Conservation Fund, Fish and Game Code Section 2786(a), to cover the acquisition and internal project-related expenses; authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

- *8. North Grasslands Wildlife Area Habitat Restoration \$327,000.00
Merced County

This proposal is to consider the allocation for a grant to Ducks Unlimited, Inc., for a project to restore approximately 140± acres of wetland, associated upland, and riparian habitat on Department of Fish and Game (DFG) owned land commonly known as North Grasslands Wildlife Area, Gadwall Unit, located 2 miles east of the City of Los Banos; and to ensure dependable water supplies to approximately 1,200± acres of wetland habitat by reinforcing security measures at the pump station at North Grasslands Wildlife Area, China Island Unit, located 3 miles east of the town of Newman, in Merced County.

LOCATION AND SURROUNDING USES

This project is located on DFG's North Grasslands Wildlife Area, Gadwall Unit and China Island Unit. The properties lie in western Merced County and are part of the Grasslands Ecological Area (GEA). The GEA encompasses over 160,000 acres of wetlands and associated grasslands. The GEA typically winters about twenty percent of the waterfowl in the Pacific Flyway. The restoration project will help further the completion of the Central Valley Joint Venture's goal to protect or restore about 200,000 acres of wetlands in the Central Valley. Historically, the property was leveled and farmed. More recently the property has been idle, and for the last few years this unmanaged property has grown only weeds. Traditionally, the property, like most properties within the GEA, has been hunted for waterfowl.

PROJECT DESCRIPTION

The project will restore approximately 140 acres of wetland, upland, and riparian habitats at the Gadwall Unit, as well as secure dependable water supplies to approximately 1,200 acres of existing wetland habitat by reinforcing security measures at the China Island Unit pump station. At the Gadwall Unit, the project will restore wetland topography, install water control structures, restore native grasses, install riparian vegetation, and install public access infrastructure in the form of hunting blinds, gravel access trails, and fencing. At the China Island Unit, the project will install security caging around a pump station to prevent further vandalization and allow the pump station to continue to provide water to wetland habitat for wintering migratory species.

The project will benefit waterfowl and other wetland dependent wildlife by providing wintering and migratory wetland habitat. The project will also benefit adjacent landowners by controlling noxious weeds and providing habitat connectivity. Lastly, the project will also benefit the general public by providing a linkage corridor of habitat with the surrounding landscape for migratory species and it will allow access to a portion of the property during the waterfowl hunting season.

Waterfowl, shorebirds and other water birds will greatly benefit from the restoration of seasonal wetland habitat on the subject property. In addition, the property floods naturally during flood events, and once restored, will provide additional flood storage capacity.

WCB PROGRAM

The proposed project will be funded through the Inland Wetland Conservation Program and meets the program's goal of assisting the Central Valley Joint Venture's mission to protect, restore, and enhance wetlands and associated habitats.

MANAGEMENT OBJECTIVES AND NEEDS

The project will be on a portion of DFG's North Grasslands Wildlife Area, Gadwall Unit and China Island Unit, and management of this project will be incorporated into the existing management of North Grasslands Wildlife Area. The project will result in a modest increase in management cost and staff time for the DFG. Annual maintenance costs include habitat manipulations by DFG staff and the acquisition of water for the habitat. The multiple benefits of the project, including public access, the removal of weeds that could invade adjacent landowners' properties and habitat for the diverse wetland wildlife species in the area outweigh the additional management costs.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$327,000.00
Ducks Unlimited, Inc	5,440.00
TOTAL	\$332,440.00

Project costs will be for earthwork, water control infrastructure, public access infrastructure, vegetation restoration, and project management and administration.

FUNDING SOURCE

The proposed funding source for this project is the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(d)(Proposition 1E), Inland Wetlands Conservation Program. This funding allows for the acquisition, enhancement or restoration of wetlands within a floodplain or flood corridor in the Central Valley, and is consistent with the objective of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

This project is exempt from the California Environmental Quality Act (CEQA) under Class 4 of Categorical Exemptions, California Code of Regulations, Title 14, Section 15304 as a minor alteration to land. Subject to approval by the WCB,

the appropriate Notice of Exemption will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for funding by the WCB.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$327,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(d)(Proposition 1E), Inland Wetlands Conservation Program; authorize staff and the Department of Fish and Game to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

- *9. Pajaro Valley Riparian Restoration \$263,000.00
Santa Cruz County

This proposal is to consider the allocation for a grant to Watsonville Wetlands Watch (WWW) for a cooperative project with the Department of Fish and Game (DFG), the Land Trust of Santa Cruz County, the City of Watsonville and the Santa Cruz Resource Conservation District to restore 6± acres of riparian habitat located along Struve Slough, West Struve Slough and Hanson Slough in Santa Cruz County.

LOCATION AND SURROUNDING USES

The project is located in the lowlands of the Pajaro River Valley in southern Santa Cruz County both inside and just outside the City of Watsonville on three sites owned by four landowners: the DFG (Watsonville Slough Ecological Reserve Complex), WWW and the City of Watsonville (Tarplant Hill), and the Land Trust of Santa Cruz County (Watsonville Slough Farms). All three sites border one or more of the six fingers of the Watsonville Sloughs system and are on land protected by City, County and State zoning designations as open space and/or agriculture. Wildlife Conservation Board (WCB) was a funding partner in the acquisitions of all three properties.

The Watsonville Sloughs system is recognized as the largest wetland system on the California Coast between the Elkhorn Slough watershed and the Pescadero Marsh, and is one of the largest freshwater wetland systems on the California Coast. This unique complex of sloughs is comprised of 800 acres of seasonal wetlands, open water marsh, mudflats, brackish marsh, and adjoining wet meadow and seep spring habitats. The Sloughs system supports 279 known bird species and serves as foraging, dispersal, and breeding habitats for five federally-listed and sixteen State-listed species of special concern. The sloughs provide a critical fall and spring migratory stop as well as summer and winter habitat for a diversity of bird species. In total, 27 of the State's list of bird Species of Special Concern utilize the Watsonville wetlands, including northern harrier, short-eared owl, burrowing owl, and loggerhead shrike. Several bird species nest in the Watsonville Sloughs and the associated marsh and riparian habitats that are local species of concern, including savannah sparrow, horned lark, American avocet, and yellow warbler.

PROJECT DESCRIPTION

Historically, nearly the entire Watsonville Sloughs system, which originally formed a wide floodplain on the lower portion of several coastal streams and was an overflow area of the Pajaro River, was drained and farmed, resulting in a significant loss of wetlands and their associated riparian and upland habitats. As a result of decades of this draining and farming, as well as relatively recent high urban growth rates, the remaining riparian areas have been greatly degraded.

These areas, once teeming with wildlife, are now largely comprised of invasive plant species and lacking in both structural and plant diversity. While the sloughs continue to provide important habitat areas for wildlife species, changes to the adjacent riparian habitats have resulted in declines of many species, in particular nesting birds of special concern.

The proposed project will restore 6.31 acres of native riparian habitat in three locations along Struve Slough (Tarplant Hill), West Struve Slough (Watsonville Slough Ecological Reserve) and Hanson, Struve, Watsonville and Harkins Sloughs (Watsonville Slough Farms) with the goal of restoring lost wildlife habitat and enhancing the existing biological communities of the Watsonville Sloughs. Riparian habitat restoration on these properties will create important habitat linkages and compliment ongoing and previous riparian habitat restoration and enhancement projects within the Watsonville Sloughs system.

Currently the riparian areas to be restored on the Watsonville Slough Ecological Reserve and Tarplant Hill properties are a monoculture of the invasive weed poison hemlock. Restoration will remove the hemlock and replace it with a diverse assemblage of native plants, resulting in greatly improved habitat with diversified structure and flowering plant species. The project at Watsonville Slough Farms will involve pulling agricultural fields and farm roads away from the Hanson Slough riparian corridor and restoring native riparian vegetation before hemlock establishes.

The proposed restoration methods have been used successfully over the last five years in the Watsonville Sloughs system and have been shown to be highly effective in restoring riparian habitats. This technique involves removal of existing stands of hemlock in the fall, roto-tilling the soil to remove remaining tap roots, long term suppression of hemlock seedlings with the application of a thick wood chip mulch layer, and installation of a diversity of native plants once the winter rains saturate the soil. Native plants will be installed in order to create a multi-storied riparian canopy, a diverse understory, and low stature wet meadow habitat. Species will include native sedges, rushes, grasses and flowering herbaceous plants such as marsh goldenrod and Pacific oenanthé, as well as a variety of trees and shrubs such as willow, cottonwood, elderberry, and snowberry. The project will utilize community volunteers, students from local schools, local job training programs, and the California Conservation Corps, serving to increase community support and education in the process. This is a three-year project in order to accommodate the time needed for site preparation, native plant installation and maintenance (weed control and watering) during the establishment period.

Approximately 200 acres of protected habitat areas will be indirectly enhanced through the work of this project, with a wider benefit to over 1,000 acres of

freshwater wetlands, grasslands, and riparian corridors within the Watsonville Sloughs watershed and their associated wildlife species. Species that will directly benefit from the project include the California red-legged frog, tricolored blackbird, northern harrier, loggerhead shrike, savannah sparrow, grasshopper sparrow, and a diversity of other raptors and songbirds that utilize the riparian areas for nesting, forage, and wintering habitat.

The three sites were identified in the *Watsonville Sloughs Resource Conservation and Enhancement Plan (2002)* as regionally important areas for conservation. They are currently being actively managed and restored under existing or nearly completed management plans, which outline threats and proposed management strategies. This project is one of several restoration and public access projects that have been completed recently, are underway or being considered pursuant to these plans. Watershed-wide objectives that are reflected in the work on these properties include replacing exotic, invasive vegetation with native vegetation and increasing public access and educational opportunities. This project will help relieve environmental stressors, restore riparian habitat, buffer wetlands and sensitive areas from land use impacts, and further the restoration of ecosystem functions within the Watsonville Sloughs. The primary benefit of this project is the restored and enhanced riparian and associated wetland habitats. Additional project benefits include water quality improvement and protection of aquatic habitats. In addition, the project provides for and promotes regional collaboration.

WCB PROGRAM

The proposed project will be funded through the California Riparian Habitat Conservation Program and meets the program's goal of increasing riparian habitat across California by implementing riparian habitat restoration and enhancement projects.

MANAGEMENT OBJECTIVES AND NEEDS

All three project sites were acquired for the purpose of conserving, restoring and enhancing natural resources. The Grant Agreement has been signed by all the landowners and requires them to protect the habitat improvements for 25 years. WWW, the Grantee, will perform regular maintenance and monitoring over that period, controlling weeds and any other factors that could jeopardize the restored habitat. If at any time during the life of the project, the landowners or WWW do not manage and maintain the project improvements, the Grant Agreement requires WWW to refund to the State of California an amortized amount of funds based on the number of years left on the project life.

WWW sits on the Watsonville Sloughs Critical Coastal Areas Regional Group that meets regularly to discuss protection, conservation, and enhancement of the Watsonville Sloughs and identifies projects that support water quality

improvement. *The Watsonville Sloughs Conservation and Enhancement Plan* lists both Tarplant Hill and the Watsonville Sloughs Ecological Reserve as restoration priorities.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$263,000.00
Watsonville Wetlands Watch	96,193.00
Land Trust of Santa Cruz County	26,411.00
City of Watsonville	36,100.00
Santa Cruz Resource Conservation District	<u>600.00</u>
TOTAL	\$422,304.00

Project costs will be for materials; nursery and nursery contracts; installation of a sign; contract services; contingencies; and project administration.

FUNDING SOURCE

The proposed funding sources for this project the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f)(Proposition 1E). This source provides funding for the acquisition, restoration or enhancement of riparian habitat statewide to protect or enhance a flood protection corridor or bypass and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The DFG has reviewed this proposal and recommends it for funding by the WCB. The project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines (California Code of Regulations, Title 14, Chapter 3), Section 15304, Class 4, as a minor alteration to land which does not involve the removal of healthy, mature, scenic trees. Subject to approval of this proposal by the WCB, the appropriate Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$263,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(e/f)(Proposition 1E); authorize staff and the Department of Fish and Game to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

- *10. San Joaquin River Parkway, \$200,000.00
Lewis S. Eaton Trail River West CEQA, EIR Augmentation
Fresno County

This proposal is to consider the allocation for an amendment to an existing grant to the San Joaquin River Conservancy (SJRC) for a cooperative project with the City of Fresno to implement environmental review and facilitate public participation for a proposal to extend the Lewis S. Eaton Trail from its terminus in the City of Fresno's Woodward Park through the Conservancy's River West property located immediately west of State Highway 41 in Fresno County.

LOCATION AND SURROUNDING USES

The Parkway is defined in State Legislation as approximately 5,900 acres on both sides of a twenty-two mile long reach of the San Joaquin River between Friant Dam in the east and State Route 99 to the west, in Fresno and Madera Counties. The SJRC was created in 1992 to preserve and enhance the San Joaquin River's extraordinary biological diversity, protect its valued cultural and natural resources and provide educational and recreational opportunities to the local communities. The SJRC's mission includes both public access and habitat restoration within the Parkway.

The proposed project is within the 360± acre River West property (Property), located within the San Joaquin River Parkway, west of Highway 41 and Woodward Park, south of the San Joaquin River. The Wildlife Conservation Board (WCB) approved the purchase of the Property at its August 2001 Board meeting. The Property was purchased for preservation, restoration and enhancement of habitat and to provide appropriate public recreational and educational opportunities.

PROJECT DESCRIPTION

The project calls for an amendment to an existing grant to expand the scope of work in order to complete an Environmental Impact Report (EIR) for the proposed extension of the Lewis S. Eaton Trail from its terminus in the City of Fresno's Woodward Park through the SJRC Spano property pursuant to the California Environmental Quality Act (CEQA). The original project was authorized by the SJRC Board on May 10, 2007, and by the WCB on August 23, 2007. The SJRC entered into an agreement with the City of Fresno (City) to perform the project in February 2008. By late 2008, the City and its consultants had completed the resources assessment of the site, developed a conceptual plan, and held a well-attended public workshop. In December 2008, however, the project was suspended due to the State freeze on bond fund expenditures and awards.

The City and the SJRC began to reinitiate the project in mid 2010. A series of agreement time extensions, a City Council reappropriation, and other administrative processes were necessary before City staff and consultants could re-assess the project, its scope of work and budget.

In June 2010, at the request of the SJRC, the WCB authorized an additional \$40,000.00 in funds for the project to provide for Planning Department Review, additional public meetings, and reassessment of the biological resources of the project site, since the previous assessment was considered out of date and potentially invalid. Once the new potential impacts were begun to be assessed, it became clear that an EIR would be the appropriate level of environmental review for the project.

The SJRC and City project management staff have discussed the project with City elected officials and developed revisions in the project proposal to address concerns raised by the public. The amended agreements with the City and the WCB will include a time extension to December 31, 2013, to complete the project.

WCB PROGRAM

The WCB's Habitat Enhancement and Restoration Program and Public Access Program provide the basis for WCB's ability to restore habitat and provide public access statewide. In addition, funds were allocated to the WCB within California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(b)(5), to be provided to the SJRC for the acquisition, development, rehabilitation, restoration and protection of land and water resources.

MANAGEMENT OBJECTIVES AND NEEDS

The EIR that results from this project will identify all management objectives and needs, and the City of Fresno has agreed to manage and maintain the site once it is constructed.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$200,000.00
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Project costs will be an augmentation of \$200,000.00 for an existing project to expand the scope of work in order to complete an EIR pursuant to CEQA for extension of the Lewis S. Eaton Trail south through the SJRC's River West property. The augmentation will bring the total amended budget to \$400,000.00.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(b)(5), that allows for the acquisition, development, rehabilitation, restoration and protection of lands located within the boundaries of the SJRC.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The project calls for an amendment to an existing grant to complete an Environmental Impact Report (EIR) for the proposed extension of the Lewis S. Eaton Trail from its terminus in the City of Fresno's Woodward Park through the SJRC Spano property pursuant to the California Environmental Quality Act (CEQA). The proposed project is included among the high priority projects recommended by the Interagency Project Development Committee, whose role is to evaluate projects to be considered by the SJRC Board. The project was accepted by the SJRC Board, which includes a representative with the DFG, on November 9, 2011.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$200,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(b)(5); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff to proceed substantially as planned.

- *11. DFG Land Management Plans, Central Coast Region, \$259,000.00
Phase II, EIR Augmentation
San Luis Obispo County

This proposal is to consider the allocation for an amendment to an existing grant to the California Wildlife Foundation to prepare an environmental impact report (EIR) for the Land Management Plan for the Carrizo Plains Ecological Reserve located in San Luis Obispo County.

LOCATION AND SURROUNDING USES

The Carrizo Plains Ecological Reserve (CPER) in San Luis Obispo County is over 39,500 acres in size, comprised of the Chimineas Unit (30,196 acres); the Panorama Unit (2,897 acres); the American Unit (6,341 acres); and the Elkhorn Unit (160 acres). The CPER is located in eastern San Luis Obispo County, approximately halfway between the Cities of San Luis Obispo to the west and Bakersfield to the east. The nearest community to the area is the small town of McKittrick, approximately 20 miles to the east.

The Wildlife Conservation Board (WCB), the Department of Fish and Game (DFG), and The Nature Conservancy (TNC) have partnered for many years to acquire the various units of the Carrizo Plain Ecological Reserve. The Elkhorn Unit was the founding parcel, 160± acres on the Elkhorn Plain, acquired by DFG in 1971. In the late 1980s, the WCB, TNC and DFG collaborated to acquire both the Panorama and American Units (2,897± and 6,341± acres respectively). These three units are within the boundaries of what used to be known as Carrizo Plain Natural Area, largely owned by the U.S. Bureau of Land Management (BLM) and managed by a partnership of TNC, DFG and BLM. The Carrizo Plain Natural Area was designated as the Carrizo Plain National Monument (National Monument) in January, 2000. The three units of the CPER are now within the boundaries of the National Monument.

These three original CPER units are comprised of annual grassland, with some perennial grasses, and a shrub savannah type which is endemic to the southern San Joaquin valley and inner coast ranges, locally termed "Upper Sonoran sub-shrub scrub". These vegetation types are typical of the Carrizo Plain National Monument, and provide habitat for a number of State and federally-listed species such as San Joaquin kit fox (State threatened and federally endangered); giant kangaroo rat (State and federally endangered), blunt-nosed leopard lizard (State and federally endangered), San Joaquin antelope squirrel (State threatened), California jewel flower (State and federally endangered), and San Joaquin woolly-threads (federally endangered). Other sensitive species associated with these habitats include American badger, short-eared owl, burrowing owl and grasshopper sparrow, as well as species of interest to DFG such as pronghorn antelope and tule elk.

In 2002 and 2004, WCB acquired the Chimineas Unit on behalf of DFG, adding another 30,196 acres to the property and linking the National Monument to the Los Padres National Forest. The Chimineas Unit property features a diverse mosaic of native plant communities, including oak woodlands, native and non-native grasslands, coastal scrub, chaparral and juniper woodland. Historically used for dryland farming and cattle grazing, the Chimineas Unit is managed by the DFG as an ecological reserve to maintain and enhance the native species and communities for which it was acquired. The vegetation of the unit is very diverse, including annual grassland, oak woodland, juniper woodland, Upper Sonoran sub-shrub scrub, sage scrub and riparian vegetation associated with streams, seeps and ponds. This diversity of habitats support a wide array of animal species, including several special status species such as southwestern pond turtle, California red-legged frog, grasshopper sparrow, short eared owl, tri-colored blackbird, giant kangaroo rat and San Joaquin kit fox, as well as important ungulates such as pronghorn and tule elk. An inventory of the plant life is on-going, and it is expected that a number of sensitive plant species will also be encountered on the Chimineas Unit.

PROJECT DESCRIPTION

The DFG is the steward of properties throughout the State that are managed for wildlife and their habitats, while providing appropriate public use opportunities. Many of these areas are managed pursuant to existing Land Management Plans (LMP), but some areas either have never had LMPs developed for them, or are managed under plans that are out of date. As such, in 2002, the WCB was granted the authority to provide funding to prepare LMPs for those areas acquired in fee by the WCB. In 2006, under this program, the WCB granted funds to the California Wildlife Foundation to prepare a LMP for the CPER.

The existing agreement provided sufficient funding for an initial study and mitigated negative declaration for the management plan project. However, DFG identified potentially significant environmental effects and determined that an EIR would be the more appropriate CEQA document for the project. This proposal will provide the additional funding necessary to complete an EIR.

WCB PROGRAM

Under Proposition 40, the WCB received funding specifically to prepare management plans for properties acquired in fee by the WCB.

PROJECT FUNDING

The WCB is the sole source for funding the Project. Project costs of \$259,000.00 will be for the preparation, circulation, and finalization of the EIR under the California Environmental Quality Act for the LMP for the CPER.

FUNDING SOURCE

The proposed funding source for this project is the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(5). The source provides funding to prepare management plans for properties acquired in fee by the WCB and is consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The project calls for an amendment to an existing grant to complete an Environmental Impact Report (EIR) for the Land Management Plan for the Carrizo Plains Ecological Reserve pursuant to the California Environmental Quality Act (CEQA). The DFG has reviewed this proposal and recommends it for funding by the Board.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$259,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(5); authorize staff and the Department of Fish and Game to enter into appropriate agreements necessary to accomplish this project; and authorize staff and Department of Fish and Game to proceed substantially as planned.

- *12. Santa Rosa Mountains, \$145,000.00
Expansions 14 and 15
Riverside County

This proposal is to consider the acquisition in fee of two separate properties totaling 30± acres by the Department of Fish and Game (DFG) as an expansion to the DFG's Santa Rosa Wildlife Area. This expansion is part of a larger cooperative project with Coachella Valley Mountains Conservancy (CVMC) and U.S. Fish and Wildlife Service (USFWS) to protect Peninsular bighorn sheep (PBS) habitat and provide future wildlife-oriented public use opportunities.

LOCATION AND SURROUNDING USES

The properties are located south of the City of La Quinta and west of Interstate 10 along the eastern slopes of the Santa Rosa Mountains. The properties are irregularly-shaped, with terrain varying from higher mountainous areas to lower elevation alluvial fans and desert floor areas. Acquiring these properties is part of a larger conservation strategy by USFWS, DFG, and CVMC to link together public and private lands to create a landscape-scale reserve that will protect extensive sheep corridors and prevent habitat fragmentation. The Wildlife Conservation Board (WCB) previously approved a number of grants for Expansions 1 through 10 within the Santa Rosa Mountains. If approved, these two acquisitions would increase the total number of acres protected within the area of the Santa Rosa and Santa Jacinto Mountains National Monument to over 116,000 acres.

PROJECT DESCRIPTION

The two expansions proposed for acquisition under this proposal are Expansion 14, a 20± acre vacant, undeveloped parcel, and Expansion 15, a 10± acre vacant, undeveloped parcel. The subject parcels would provide core habitat, linkages, and transport corridors which are important for the PBS. Placement of this area in public ownership would add a significant buffer from the developing residential lands to the east and north, including the proposed. The residential Travertine planned development area overlays the subject properties. The subject properties have multiple species values including habitat for the State and federally-listed as threatened desert tortoise, the State and federally-listed as endangered least Bell's vireo, and the State-listed as endangered southwestern willow flycatcher. There is also potential habitat for several bat species of special concern such as the western yellow bat, pallid bat, California leaf-nosed bat, spotted bat, pocketed free-tailed bat, and western mastiff bat. Protection of the property would also benefit a number of other animal species that inhabit the area including mountain lion, mule deer, golden eagle, and prairie falcon.

WCB PROGRAM

The proposed acquisition is being considered under the WCB's Land Acquisition Program. The acquisition program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property, or rights in real property, on behalf of the DFG, grant funds to other governmental entities or nonprofit organizations to acquire real property, or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB acquires lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, which substantiates the biological values of the property, and is recommended by DFG for funding. The USFWS grant proposed for and accepted for this project has also been reviewed and approved by DFG as a participant in the USFWS Land Acquisition Grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

The DFG has identified the subject property as being within a Significant Natural Area and has recommended the purchase of the property which DFG would incorporate into the Santa Rosa Wildlife Area and manage in conjunction with other existing wildlife areas and ecological reserves in the region. It is anticipated that the subject properties will offer both passive and consumptive recreational uses.

TERMS

The owners have agreed to sell their properties for the appraised fair market values of \$300,000.00 for Expansion 14 and \$150,000.00 for Expansion 15, both approved by the Department of General Services (DGS). The USFWS will provide Recovery Land Acquisition Program grant funding, in an amount not to exceed \$315,000.00 to be applied toward the purchase price of the properties. The terms and conditions of the proposed grants provide that staff of the WCB will review and approve all title documents, appraisals, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board, Expansion 14	\$ 90,000.00
USFWS Section 6 Grant 2011 Peninsular Bighorn Sheep	<u>210,000.00</u>
Total	\$300,000.00

Wildlife Conservation Board, Expansion 15	\$ 45,000.00
USFWS Section 6 Grant 2012 Peninsular Bighorn Sheep	<u>105,000.00</u>
	150,000.00
Total	\$450,000.00
Other Project-Related Costs	\$10,000.00
TOTAL WCB ALLOCATION	\$145,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related expenses, including DGS review costs, bringing the total recommended allocation for this proposal to \$145,000.00.

FUNDING SOURCE

The purposes of this project are consistent with the authorized uses of the proposed funding source, the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund (Proposition 12), Public Resources Code Section 5096.350(a)(5), which provides matching funds for the acquisition, restoration, or protection of habitat or habitat corridors that promote the recovery of threatened, endangered, or fully protected species.

ENVIRONMENTAL COMPLIANCE

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

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve the project as proposed; approve the acceptance of a Recovery Land Acquisition Program grant from USFWS in the amount of \$315,000.00; allocate \$145,000.00 for the acquisition of the two fee interests and the internal project-related expenses from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund (Proposition 12), Public Resources Code Section 5096.350(a)(5); authorize staff to enter into agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

- *13. Upper Mission Creek / Big Morongo Canyon Conservation Area, Expansions 1—4 Riverside County \$20,000.00

This proposal is to consider the acceptance of a U.S. Fish and Wildlife Service Habitat Conservation Planning grant and the approval to subgrant these federal funds to the Coachella Valley Conservation Commission (CVCC) to acquire in fee four separate properties totaling 235± acres. These acquisitions would allow for the protection of desert dune and blowsand habitats threatened by development occurring in the southern and western reaches of the Coachella Valley and which are essential for recovery of the Coachella Valley fringe-toed lizard (CVFTL), a State endangered and federally threatened species. The properties will also help expand on efforts to protect habitat linkages, fluvial and Aeolian sand transport corridors, alluvial fan habitat, and desert mountain habitat areas.

LOCATION AND SURROUNDING USES

The properties are located just west of the City of Desert Hot Springs, north of Highway 10 and approximately 5 miles north of the City of Palm Springs. The properties are located within the Upper Mission Creek/Big Morongo Canyon Conservation Area, a conservation area located within the Multiple Species Habitat Conservation Plan (MSHCP) and Natural Community Conservation Plan area approved for the Coachella Valley portion of Riverside County.

The surrounding topography is mostly desert dunes, with blowsand habitat areas, found primarily within the Coachella Valley. Historically, these habitat areas have been eliminated or degraded by the direct and indirect effects of urban and residential growth that has occurred throughout the Coachella Valley. These effects include ongoing building and related infrastructure development, off-road vehicle use, and the introduction of non-native invasive species. The encroachment of these structures and non-native plant species within the Coachella Valley restrict what were once free-moving sand deposits, which prevents replenishment of the blowsand habitats. Placement of the subject properties into public resource stewardship will help expand on existing protective buffers from the surrounding residential and agriculture lands. With the support of other natural resource partners, the State and the federal governments have helped conserve approximately 48,000 acres within the Coachella Valley MSHCP.

PROJECT DESCRIPTION

The project consists of four separate properties (expansions). Specifically, Expansion 1 is 66± acres in size, Expansion 2 is 7± acres in size, Expansion 3 is 74± acres in size, and Expansion 4 is 88± acres in size, for a total acreage of 235± acres. All four expansions consist of vacant desert land zoned for

residential development. The acquisitions will protect the properties from residential subdivision in perpetuity, providing core habitat, linkages, and fluvial and aeolian sand transport corridors which are important for the Coachella Valley fringe-toed lizard (CVFTL). The land also provides habitat for several other rare and important endemic species, including the federally endangered Coachella Valley milk-vetch, the Palm Springs pocket mouse - a California species of special concern, the Coachella Valley round-tailed ground squirrel, flat-tailed horned lizard, Barrow's dune beetle, Coachella giant sand-treader cricket, Coachella Valley grasshopper, and the Coachella Valley Jerusalem cricket.

WCB PROGRAM

The proposed grant is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property, or rights in real property, on behalf of the Department of Fish and Game (DFG), grant funds to other governmental entities or nonprofit organizations to acquire real property, or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB provides funds to facilitate the acquisition of lands and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. The project has been reviewed and approved by the DFG under its Natural Community Conservation Plan program, which substantiates the biological values of the property, and is recommended by DFG for funding. The United States Fish and Wildlife Service (USFWS) grant proposed for acceptance for this project has also been reviewed and approved by DFG as a participant in the USFWS Land Acquisition Grant selection and review process.

MANAGEMENT OBJECTIVES AND NEEDS

If acquired, the properties would be managed by the CVCC in conjunction with other properties managed by the CVCC, located within the Coachella Valley MSCHP. Management and use of the properties may include passive recreational uses, if those uses are appropriate and compatible with resource values and protection.

TERMS

CVCC proposes to purchase the properties from the owners based on four separate fair market appraised values (FMV), shown below, with a total value of \$2,185,000.00, as approved by the Department of General Services (DGS). The proposed Agreement to Subgrant the federal funds provided by the USFWS Habitat Conservation Planning Land Acquisition grant would provide the entire purchase price. The non-federal funds requirement will be provided by the

CVCC through the encumbrance of in-kind match properties. The CVCC will cover all escrow-related expenses including title insurance and escrow fees. The terms and conditions of the proposed subgrants to the CVCC provide that staff of the WCB will review and approve all title documents, appraisals, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Exp. 1, USFWS Section 6 subgrant & FMV	\$620,000.00
Exp. 2, USFWS Section 6 subgrant & FMV	60,000.00
Exp. 3, USFWS Section 6 subgrant & FMV	770,000.00
<u>Exp. 4, USFWS Section 6 subgrant & FMV</u>	<u>735,000.00</u>
Total, USFWS Section 6 subgrants & FMV	\$2,185,000.00
Other Project-Related Costs	\$20,000.00
TOTAL WCB Allocation	\$20,000.00

It is estimated that an additional \$20,000.00 will be needed to cover project-related expenses, including DGS appraisal review costs.

FUNDING SOURCE

The purposes of this project are consistent with the authorized uses of the proposed funding source, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Public Resources Code Section 75055(c), which allows for the acquisition and protection of habitat that implements or assists in the establishment of Natural Community Conservation Plans.

ENVIRONMENTAL COMPLIANCE

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under CEQA Guidelines Section 15313, Class 13, as an acquisition of land for wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to

preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve the project as proposed; approve the acceptance of a Habitat Conservation Planning Land Acquisition grant from USFWS in the amount of \$2,185,000.00 and approve the Agreement to Subgrant of these federal funds to the Coachella Valley Conservation Commission; allocate \$20,000.00 from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Proposition 84), Section 75055(c) for internal project-related expenses; authorize staff to enter into agreements necessary to accomplish this project; and authorize staff to proceed substantially as planned.

14. Ash Creek Wildlife Area Habitat Restoration \$1,154,000.00
Modoc and Lassen Counties

This proposal is to consider the allocation for a grant to the Pit River Resource Conservation District for a cooperative project with the Department of Fish and Game (DFG), the California Department of Conservation, the Sierra Nevada Conservancy, the California Department of Water Resources, the U.S. Army Corps of Engineers, and the National Fish and Wildlife Foundation to restore 1,500± acres of wetland and riparian habitats, protect 1,085 intact wetland and riparian habitats from increased headcutting, and integrate the existing water delivery system to continue to satisfy the rights of downstream water rights holders and provide management of seasonal wetlands on DFG's Ash Creek Wildlife Area (ACWA), located in Lassen and Modoc Counties.

LOCATION AND SURROUNDING USES

In 1985 the Wildlife Conservation Board (WCB) initially acquired 11,525± acres northeast of Bieber and west of Adin to protect a variety of habitats, including riparian forest, wet meadows, sage steppe, and native upland grasslands. Since then, the ACWA, owned and managed by the DFG, has grown to nearly 15,000 acres. In 1988, 2005 and 2006, the WCB funded projects to enhance wetlands located within the ACWA and to allow the DFG to better manage the property.

PROJECT DESCRIPTION

For well over a century the area was manipulated to drain wet meadows in an effort to improve grazing conditions by straightening gullies, installing culverts, and digging channels to drain the area. These efforts have resulted in incised channels and a dry landscape with reduced habitat values. Data collected in the mid-90s shows the extension of headcutting extending nearly 5000 ft. Currently, the floodplain, which historically flooded every year, is wet only during extreme flood events.

The project is designed to repair current damage and avoid further long-term habitat degradation by stabilizing eroding gullies. The project will enhance habitat for migratory birds and wildlife through construction of water retention ponds and improve instream habitat for native Pit River fishes by enhancing groundwater recharge. The designed channel location follows existing remnant channels, will match historic stable conditions, and will function as it did prior to channel alteration. This technique is often referred to as "pond and plug" methodology, and has been implemented in numerous projects in California. Some of these projects have been monitored over fifteen years and results have shown that these systems are stable over a range of flood regimes.

Other existing ACWA structures also need attention, the most critical of which is the levee and road system along Elkins Lane. This system currently functions to

impound water for seasonal wetland development, and raises the water elevation so that it can be transported to canal and stream channel on the north side of the floodplain. These existing diversions deliver water to nearby private agricultural lands and to ACWA seasonal wetlands that are managed for wildlife nesting, foraging, and roosting. The levee system and elevated Elkins Lane constricts and redirects the natural flow of Ash Creek, and the bridges and culverts associated with these structures have caused degradation of the meadow system and alter the natural form and function of Ash Creek and its floodplain. These structures will be removed to allow the meadow to function naturally. Pipelines will be installed to continue to provide irrigation water to managed wetlands on the ACWA and to nearby landowners, as required by existing water rights.

Due to increased floodplain width, flood flow levels after project completion are expected to closely mimic historic conditions and will not significantly effect flood water surface elevations. Restoring the groundwater storage capacity of the meadow and eliminating the draining affect of the deeply incised gullies is expected to improve instream conditions for native fish species.

The project will primarily provide habitat for aquatic, riparian, and meadow associated species including redband trout, greater sandhill crane, Forster's tern, black tern, white-faced ibis, migratory waterfowl (e.g. green-winged teal and white fronted geese) and nesting waterfowl (cinnamon teal, mallard, northern pintail, ruddy duck, gadwall, northern shoveler), migratory shorebirds (dowitchers, western and least sandpipers, black-bellied plovers, greater yellow-legs) and nesting shorebirds (Wilson's phalarope, killdeer, willet, American avocet, black-necked stilt, long-billed curlew). Additionally, the riparian-deciduous shrub community along Ash Creek in the upper portions of the project area is expected to increase in stature and diversity, and provide habitat for numerous song birds. Expected species to colonize include warbling vireo, Lincoln's sparrow, Wilson's warbler, yellow warbler, black-headed grosbeak, and northern oriole. Other riparian species currently present but in low numbers (lesser goldfinch, song sparrow, common yellow-throat, house wren) will also likely benefit. The ACWA also supports up to 50 pair of breeding greater sandhill cranes, a State-listed threatened species.

WCB PROGRAM

This project is funded through the California Riparian Habitat Conservation Program and the Habitat Enhancement and Restoration Program and meets the programs' goals of increasing riparian and wetland habitats, and improving floodplain connectivity by implementing proven habitat restoration techniques.

MANAGEMENT OBJECTIVES AND NEEDS

The ACWA is managed by the DFG to provide wildlife habitats as shown above, and to provide public use including hunting during waterfowl season, and recreational hiking and bird watching during other times of the year. The proposed project will allow the DFG to continue to manage the improved and more stable habitats with no increase in workload.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,154,000.00
Pit River RCD	83,800.00
Sierra Nevada Conservancy	1,048,600.00
Department of Water Resources	1,039,000.00
U.S. Army Corps of Engineers	200,000.00
Department of Conservation	4,000.00
NFWF	103,715.00
TOTAL	\$3,633,115.00

Project costs will be for the installation of irrigation pipelines; installation of water control structures; earthmoving; revegetation; acquisition and installation of rock erosion control; the seeding of all disturbed areas; and project design, construction supervision, project monitoring, and administration.

FUNDING SOURCE

The proposed funding sources for this project are the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(d), and Section 2786(e/f)(Proposition 1E). These sources provide funding for the restoration or enhancement of wetland and riparian habitats statewide, as well as aquatic habitats for trout resources, and are consistent with the objectives of this project.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The DFG, as lead agency, prepared a Mitigated Negative Declaration for the project pursuant to the provisions of the California Environmental Quality Act (CEQA). Staff considered the Mitigated Negative Declaration and prepared proposed written findings documenting WCB's compliance with CEQA. Subject to approval of this proposal by the WCB, the appropriate Notice of Determination will be filed with the State Clearinghouse. The DFG has reviewed this proposal and recommends it for funding by the WCB.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board adopt the written findings and approve this project as proposed; allocate \$1,054,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(d), and Section 2786(e/f)(Proposition 1E); authorize staff to enter into appropriate agreements necessary to accomplish this project; and authorize staff and the Department of Fish and Game to proceed substantially as planned.

15. Miller Forest \$1,228,750.00
Humboldt County

This proposal is to consider the allocation for a grant to the Northcoast Regional Land Trust (NRLT) to acquire a conservation easement over 1,622± acres of land for the protection of the property's diverse native forests and riparian habitat areas for the conservation and protection of managed forest lands and forest reserve areas that include one of the most southern viable populations of Port Orford cedar and to protect wildlife habitat corridor linkages that benefit numerous wildlife species.

LOCATION AND SURROUNDING USES

The Miller Forest property (Property) is located within the Willow Creek watershed, a salmonid stream and tributary to the Trinity River, just north of State Route 299, approximately 30 miles east of the City of Arcata and roughly five miles west of the community of Willow Creek. The Property is comprised of ten parcels in two contiguous holdings and is accessible from an existing road directly off of Highway 299. The general area is rural in nature and includes land parcels ranging from a few acres to several hundred acres. The Property includes portions of Willow Creek and four of its tributaries (Three Creeks, Summit Creek, Low Gap Creek, and Panther Creek). Willow Creek flows eastward into the Trinity River, one of the largest and most important tributaries of the Klamath River. The Property also abuts the East Fork campground, a popular public summer campground managed by the US Forest Service, and lies adjacent to the Six Rivers National Forest (SRNF). Other surrounding uses include privately managed forest lands.

The Property is part of the larger Six Rivers to the Sea Initiative, which works to protect working ranches and forest lands located between the SRNF and the Pacific Ocean. The property acts as an important inholding and habitat linkage connecting to small, disconnected holdings of the SRNF, providing greater continuity of habitat protection across multiple ownerships within the SRNF and the Willow Creek watershed.

PROJECT DESCRIPTION

The Property is situated on gentle to steep sloping hillsides, heavily forested with coniferous timber cover, which includes Port Orford cedar and Douglas fir. The Port Orford cedar is considered one of the world's most valuable timber species, which has special cultural significance for Native American tribes along the Pacific north coast. The property supports large, healthy stands of Port Orford cedar that have not been exposed to *Phytophthora lateralis*, a soil-borne plant pathogen that causes cedar root disease. The Port Orford cedar is listed as "Vulnerable" on the World Conservation Union's Red List of Threatened Species. The landowners would implement protective measures under the terms and

conditions of this project to provide further assurances that the risk of exposure will be minimized. Furthermore, the Property acts as a buffer for the nearby US Forest Service Port Orford cedar management areas, thereby ensuring a contiguous linkage that supports unbroken Port Orford cedar stands and greater hydrologic integrity for Willow Creek and its tributaries.

The subject property lies in a Timber Protection Zone that allows a variety of legally permissible uses, including rural residential development and continued timber production. Subdivision and development of the Property would have not only a detrimental effect on the watershed processes and ecological benefits of the property, but would also adversely affect the conservation values of neighboring properties located downstream near the confluence of Willow Creek and the Trinity River. The Miller Forest conservation easement would restrict future landowners from over-harvesting or subdividing the land, thus protecting and sustaining the forest and its associated environment in perpetuity.

The conservation easement includes management provisions for a working forest, while setting aside multiple strategic forest reserve areas located along riparian zones that will benefit wildlife that is dependent on multi-aged, multi-species forests. Several perennial streams, springs, and creeks run through the property, which include Summit Creek (a tributary to Three Creeks) and other tributaries to Willow Creek that contain sensitive aquatic species, such as Chinook salmon, Coho salmon, and steelhead, which are all State or federally-listed as threatened or endangered. Other wildlife species supported by the Property include mountain lion, black bear, bald eagle and several California-listed species of special concern, such as the northern spotted owl and the red tree vole.

WCB PROGRAM

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 on November 17, 2007, in most cases utilizing a peer review process involving biological and forestry expertise, while also including the DFG. The Program seeks to promote the ecological integrity and economic stability of California's diverse native forests through conserving, preserving, and restoring productive managed forest lands, 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. One of the primary objectives of the Program is the protection and conservation of working forests and productive managed forest lands. 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.

MANAGEMENT OBJECTIVES AND NEEDS

Under the terms of the conservation easement, the landowners will be allowed to continue uneven aged selective harvesting in accordance with a Forest Management Plan, and all applicable State and federal forestry laws, practices, guidelines, and regulations. The selective harvesting of trees would be consistent with sustainable and restorative forest management practices, including forest thinning that will benefit both forested and riparian areas within the conservation easement.

The NRLT will hold, manage, and be responsible for the monitoring of the easement in perpetuity per the WCB grant terms. If this project is approved, a baseline report will be completed by the Grantee and approved by the WCB. The conservation easement deed permits access to the subject property by both NRLT and WCB staff for monitoring purposes.

TERMS

The property has been appraised as having a fair market value of \$1,625,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The property owners have agreed to sell the property for \$1,218,750.00, which is less than its appraised market value. The terms and conditions of the proposed WCB grant to NRLT provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions, and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. 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 conservation easement to WCB or another qualified holder.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$1,218,750.00
TOTAL	\$1,218,750.00
Other Project-Related Costs	\$10,000.00
TOTAL WCB ALLOCATION	\$1,228,750.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review.

FUNDING SOURCE

The purposes of this project are consistent with the authorized uses of the proposed funding source, 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), 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 forest lands, 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.

ENVIRONMENTAL COMPLIANCE

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

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$1,228,750.00 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 to proceed substantially as planned.

16. Noyo River Redwood Conservation Property \$4,010,000.00
Mendocino County

This proposal is to consider the allocation of a grant to the Mendocino Land Trust for a cooperative project with Save-the-Redwoods League to acquire in fee 428± acres of mixed conifer working forest lands (Property). The project will protect significant stands of redwood and Douglas fir forests as well the riparian corridor of the upper Noyo River and its tributaries which contain spawning areas for both salmonid and steelhead fish species. The project would also provide some potential public access via the Mendocino Railway (Skunk Train) which owns and operates about 6 miles of tracks running through the subject property.

LOCATION AND SURROUNDING USES

The Property is located about 4 miles westerly of the City of Willits (City) and northerly of State Highway 20 in Mendocino County. The Property is within the upper portions of the Noyo river watershed that drains directly into the Pacific Ocean. The 50,000 acre Jackson Demonstration Forest lies to the southwest encompassing a large portion of the south fork of the Noyo River. The Property has historically been a working forest similar to most of the surrounding properties. Some subdivision of the larger working forests into smaller tracts with residential and agricultural development have taken place in areas to the west near Fort Bragg and to the east near Willits.

Primary access to the Property is via the Mendocino Railway or “Skunk Train” that meanders through about 6 miles of the Property in a generally east/west direction. The operators of the Skunk Train maintain an easement that runs through the Property. The Skunk Train rail line was originally constructed to help log the Property and other nearby working forestlands along and near the rail line. As logging demand diminished, the rail was used more and more to transport visitors on site seeing tours through the forested areas by rail, running between the Cities of Fort Bragg on the coast and Willits, located approximately 25 miles inland. The operations of the Skunk Train are expected to continue after this acquisition and possibly expand as additional public use opportunities are made available to the passengers on the train through the management of the Property by the Mendocino Land Trust. A potential public use could be the establishment of areas where passengers could disembark the train in order to access, hike, and visit sites on the Property.

PROJECT DESCRIPTION

The Property is irregularly shaped and consists of six assessor parcels totaling 428± acres. The Property has high quality coastal redwood, Douglas fir, aquatic and riparian habitat along the Noyo River, with about 120 acres of old growth redwood trees and extensive stands of late seral redwood and Douglas fir forest areas. Other habitat elements include hardwood tree forests and forest meadows. The Property and streams are threatened by degradation from

intensive logging, or possible conversion to other non- forest management uses. There are approximately 25 State or federally-listed species identified on or adjacent to this Property, such as the red tree vole, a California species of special concern (CSSC), sharp-shinned hawk (CSSC), purple martin (CSSC), Foothill yellow-legged frog (CSSC), northern spotted owl - a federally-listed threatened species, Pacific fisher (CSSC), Cooper's hawk (CSSC), northern steelhead - a federally-listed endangered species, and Coho Salmon - a State and federally-listed endangered species. The Property also supports a number of rare and important native plant species, such as Baker's meadowfoam, few-flowered navarretia, coast fawn lily, coast lily, and the Oregon goldthread.

WCB PROGRAM

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 on November 17, 2007, in most cases utilizing a peer review process involving biological and forestry expertise and including the Department of Fish and Game (DFG). The Program seeks to promote the ecological integrity and economic stability of California's diverse native forests through conserving, preserving, and restoring productive managed forest lands, 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. One of the primary objectives of the Program is the protection and conservation of working forests and productive managed forest lands. 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.

MANAGEMENT OBJECTIVES AND NEEDS

The Property will be owned and managed by the Mendocino Land Trust for multiple resources uses and values, including harvesting timber on a sustainable basis, maintaining and enhancing the integrity of the watershed, wildlife, fisheries, and plant resources, while also providing some limited recreation and educational opportunities for the public. The sustained timber harvesting will provide revenues to assist in the management of the Property.

TERMS

The Property owners, Save-the-Redwoods League, have agreed to sell the Property at the bargain price of \$4,000,000.00. The Department of General Services (DGS) has reviewed the appraisal as well as the review provided by an independent reviewer and registered professional forester (RPF) of the timber valuation. The total value of the land and timber was approved at \$7,000,000.00 by the DGS. 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 require the grantee to encumber the

Property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$4,000,000.00
Other Project-Related Costs	\$ 10, 000.00
TOTAL WCB ALLOCATION	\$4,010,000.00

It is estimated that an additional \$10,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review and independent timber review. The Mendocino Land Trust and Save-the-Redwoods League will fund the environmental assessment, appraisal, and escrow and title insurance costs.

FUNDING SOURCE

The purposes of this project are consistent with the authorized uses of the proposed funding source, 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), 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 forest lands, 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.

ENVIRONMENTAL COMPLIANCE AND STATE RECOMMENDATION

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under CEQA Guidelines 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 or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate a total of \$4,010,000.00 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 to proceed substantially as planned.

17. Salmon Falls Reserve, \$2,370,000.00
Expansion 2
El Dorado County

This proposal is to consider the allocation for a grant to the American River Conservancy (ARC) for a cooperative project with the California Natural Resources Agency to acquire in fee 605± acres of oak woodland, chaparral, riparian and grassland habitat to prevent habitat fragmentation and protect habitat of State and federally threatened and endangered species. The subject property (Property) will also provide opportunities for expansion of public outdoor uses by connecting with hiking trails and other public recreational uses available in the area and on adjoining properties.

LOCATION AND SURROUNDING USES

The Salmon Falls Property is located east of Interstate 80 and lies directly north of and adjacent to the City of Folsom, along the north shore of Folsom Lake near the confluence with the south fork of the American River. The Property is accessible from Salmon Falls Road and offers views of Folsom Lake from its hilltop locations. The Property borders other protected lands including areas managed by ARC, the U.S. Forest Service, and the U.S. Bureau of Land Management. These protected lands provide public recreational uses and include public access developed areas that support fishing, hiking, mountain biking, horseback riding, and boating activities. The Salmon Falls American River Trail, one of the more popular multi-use trails in the region, lies adjacent to the Property along its southeastern border.

On November 1, 1990, the Wildlife Conservation Board (WCB/Board) approved the acquisition of a 40± acre parcel for the Department of Fish and Game (DFG) located on the east side of Folsom Lake about five miles south of Pilot Hill. The acquisition represented DFG's first step in acquiring properties for the Salmon Falls Ecological Reserve. A subsequent 40± acre parcel was approved by the Board on February 13, 1990 (Expansion #1) to expand the Reserve. Since that time, numerous acquisitions by various federal, State, and non-profit conservation groups, including the ARC, have been made in the Salmon Falls area in an effort to protect the area's rich ecological values which include rare plants, riparian species, and scenic values. The ultimate goal is to create a network of protected lands in the Salmon Falls area that could encompass as much as 5,000 acres. Located south of the Property and part of this 5,000 acres area is the DFG Pine Hill Ecological Reserve, comprised of four separate sites totaling approximately 400 acres, which was acquired and funded in large part by the WCB.

Other surrounding properties include both improved and unimproved parcels that range from five acres to larger parcels over 100 acres and are used either for

agriculture or residential use. Large residential estate homes are interspersed and scattered throughout this area, which is considered desirable due to its close proximity and scenic views of the American River and Folsom Lake. To the south and west of the Property are major residential and urban developed centers, including the communities of Folsom and El Dorado Hills.

PROJECT DESCRIPTION

The Property is currently used for livestock grazing and is comprised of five parcels totaling 605± acres, zoned as AE – Agriculture Exclusive. One of these parcels totaling 320 acres, is subject to a Land Conservation contract under the Williamson Act. The Property is comprised of gently sloping to moderately steep terrain with vegetation consisting of scattered brush, oak trees, mixed chaparral, and grasslands that are currently used for grazing. The site contains exceptional panoramic views of the town of Folsom and Folsom Lake, which are visible from several vantage points on the Property.

The Property will be acquired by the ARC for purposes of protecting the Property from habitat fragmentation that has occurred to the south and to maintain habitat linkages and corridors with adjoining and nearby protected properties. The Property will also protect habitat for a number of large mammals, such as deer, mountain lion, and bobcat, as well as 17 animal and plant species designated as State or federal species of concern, threatened, or endangered, such as the sharp-shinned hawk, a California species of special concern (CSSC), Cooper's hawk (CSSC), foothill yellow-legged frog (CSSC), northwestern pond turtle (CSSC), California horned lizard (CSSC), bank swallow (a State-listed threatened species), valley elderberry longhorn beetle (federally-listed endangered species), Laynes ragwort (State and federally-listed threatened species), El Dorado bedstraw (federally-listed endangered species), and Pine Hill Ceanothus (federally-listed endangered species), and provides potential habitat expansion for the tricolored blackbird (CSSC).

WCB PROGRAM

The proposed grant is being considered under the WCB's Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property or rights in real property on behalf of the DFG, grant funds to other governmental entities or nonprofit organizations to acquire real property, or rights in real property, and accept federal grants to assist with acquisitions of properties. Under the program the WCB provides funds to facilitate the acquisition of land and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological values of property through development of a Land

Acquisition Evaluation (LAE) Conceptual Area Protection Plan (CAPP). The LAE/CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and, if approved, later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

The maintenance, conservation, security, and caretaker services on the Property will be managed by the ARC, a nonprofit California public benefit corporation, which has been in existence for over 20 years. The ARC manages a number of properties in the area for habitat preservation and public use by relying on a combination of employees, volunteers, partners, and members to support this effort. The ARC has built more than 27 miles of public recreational trails in the area, including the new South Fork American River Trail located between Salmon Falls Road and Highway 49. This acquisition will provide an opportunity for ARC to expand its recreational trail system onto the Property.

TERMS

The Property has been appraised as having a fair market value of \$2,722,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS) and took into consideration the existing Land Conservation contract. The Property owner has agreed to sell the Property for less than the approved appraised fair market value for \$2,646,800.00. The terms and conditions of the proposed WCB grant to the ARC provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the Property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$2,365,000.00
California Natural Resources Agency	251,800.00
American River Conservancy	<u>30,000.00</u>
TOTAL	\$2,646,800.00
Other Project-Related Costs	\$5,000.00
TOTAL WCB ALLOCATION	\$2,370,000.00

It is estimated that an additional \$5,000.00 will be needed to cover project-related administrative costs, including DGS appraisal review.

FUNDING SOURCE

The proposed funding source for this project is the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(1), which allows for the acquisition and protection of habitat to protect rare and endangered species, wildlife corridors and significant natural landscapes, ecosystems and other significant habitat areas.

ENVIRONMENTAL COMPLIANCE

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

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$2,370,000.00 from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund (Proposition 40), Public Resources Code Section 5096.650(1), 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 to proceed substantially as planned.

18. Dos Rios Ranch \$5,509,000.00
Stanislaus County

This proposal is to consider the allocation for a grant to the River Partners for a cooperative project with the California Natural Resources Agency, Department of Water Resources, U.S. Natural Resource Conservation Service (NRCS), U.S. Fish and Wildlife Service, San Francisco Public Utility Commission, and Tuolumne River Preservation Trust to help acquire in fee 1,603± acres of valley floodplain and riverine habitat for protection of special status species habitat including Chinook salmon, steelhead trout, and riparian brush rabbits, and to provide future wildlife oriented public use and recreational opportunities.

LOCATION AND SURROUNDING USES

The subject property (Property) is located 20 minutes west of Modesto, south of Paradise Road and west of Shiloh Road. The ranch lies between the Tuolumne River Regional Park, located upstream to the east, and the San Joaquin River National Wildlife Refuge to the west, along a stretch of river proposed for the Lower Tuolumne River Parkway. This acquisition will build on approximately 10,000 acres of existing habitat, parks, and recreation projects along both the Tuolumne and San Joaquin Rivers.

Upstream of the Property is a large stretch of the San Joaquin River that is targeted for major restoration under a collaboration of federal, State, and conservation groups. The goal of this effort is to provide a comprehensive long-term effort to restore flows to the San Joaquin River from Friant Dam to the confluence with the Merced River and restore a self-sustaining Chinook salmon fishery in the river while also reducing or avoiding adverse water supply impacts from restoration flows. Protection of the Property will compliment this restoration effort and help ensure resources and riverine habitat located downstream remain as viable and functioning habitat areas, and enhance efforts to reestablish Chinook salmon runs upstream from the Property.

PROJECT DESCRIPTION

The Dos Rios project will provide protection for a diverse mix of habitat communities, including riparian corridors, wetlands, migratory and resident bird habitat, and riverine habitat that supports a naturally reproducing population of Chinook salmon and steelhead. The diverse habitat types and special habitat elements found across Dos Rios ranch provide potential breeding and migratory habitat for many federally and State threatened and endangered listed species including the least Bell's vireo (State and federal-listed endangered species), the San Joaquin kit fox (federal endangered and State threatened species), riparian woodrat (federal endangered species) and the riparian brush rabbit (federal and State endangered species).

The project will help expand public recreation and educational opportunities in the San Joaquin River valley region by providing a protected site with potential public access to both the Tuolumne and San Joaquin Rivers suitable for fishing, boating, bird watching, and hiking. The Property will also expand on existing wetland habitats becoming an integral part of the Pacific Flyway, supporting waterfowl and waterfowl hunting opportunities.

This project would also enhance the Central Valley Flood Control System by protecting a large flood corridor from non-compatible development, allowing both the San Joaquin and Tuolumne Rivers room to flood in a non-damaging way. Flooding of the Property is compatible with the habitat and resource goals of this project. In terms of the entire floodplain, the project expands on approximately 1,500 acres of existing floodplain easements located directly upstream, and 6,700 acres of protected floodplain areas held by the U.S. Fish and Wildlife Service within the San Joaquin River National Wildlife Refuge.

WCB PROGRAM

The proposed grant is being considered under the Wildlife Conservation Board's (WCB) Land Acquisition Program. The Land Acquisition Program is administered pursuant to the Board's original enabling legislation, "The Wildlife Conservation Law of 1947" (Fish and Game Section 1300, et seq.) authorizing the WCB to acquire real property, or rights in real property, on behalf of the DFG, grant funds to other governmental entities or nonprofit organizations to acquire real property, or rights in real property, and accept federal grant funds to facilitate acquisitions or subgrant these federal funds to assist with acquisitions of properties. Under the program the WCB provides funds to facilitate the acquisition of land and interests in land that can successfully sustain or be restored to support wildlife and, when practicable, provide for suitable wildlife-oriented recreation opportunities. These activities are carried out in conjunction with the DFG, which evaluates the biological values of property through development of a Conceptual Area Protection Plan (CAPP). The CAPP is then submitted to DFG's Regional Operations Committee (ROC) for review and, if approved, later transmitted to the WCB with a recommendation to fund.

MANAGEMENT OBJECTIVES AND NEEDS

When acquired, this Property will be managed by the River Partners, with agricultural activities continued on an interim basis until long-term habitat and recreational activities can be fully planned and developed. River Partners will be responsible for monitoring and managing the Property according to the terms of the grant agreement. The revenues from the farming activities will be used to offset the cost of Property management and monitoring.

TERMS

The Property has been appraised as having a fair market value of \$21,800,000.00. The appraisal has been reviewed by WCB staff and reviewed and approved by the Department of General Services (DGS). The Property owner has agreed to sell the Property for the approved appraised fair market value. The terms and conditions of the proposed WCB grant provide that staff of the WCB must review and approve all title documents, preliminary title reports, documents for purchase and sale, escrow instructions and instruments of conveyance prior to disbursement of funds directly into the escrow account established for the acquisition. In the event of a breach of the grant terms, the WCB can require the grantee to encumber the Property with a conservation easement in favor of the State or another entity approved by the State and seek reimbursement of funds.

PROJECT FUNDING

The proposed funding breakdown for the project is as follows:

Wildlife Conservation Board	\$5,491,736.00
Tuolumne River Preservation Trust	806,736.00
River Partners	50,000.00
San Francisco Public Utility Commission	2,000,000.00
NRCS	6,904,740.00
California Natural Resources Agency	2,619,400.00
U.S. Fish and Wildlife Service	1,000,000.00
<u>Department of Water Resources</u>	<u>2,927,388.00</u>
TOTAL	\$21,800,000.00
Other Project-Related Costs	\$17,264.00
TOTAL WCB ALLOCATION	\$5,509,000.00

It is estimated that an additional \$17,264.00 will be needed to cover project-related administrative costs, including DGS appraisal review.

FUNDING SOURCE

The purposes of this project are consistent with the proposed funding source, Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(b/c)(Proposition 1E), that allows for the acquisition and protection of wetland and riparian habitat as well as habitat to protect rare, endangered, threatened or fully protected species.

ENVIRONMENTAL COMPLIANCE

The acquisition has been reviewed pursuant to the California Environmental Quality Act (CEQA) and is proposed as exempt under CEQA Guidelines Section

15313, Class 13, as an acquisition of land for fish and wildlife conservation purposes, and Section 15325, Class 25, as a transfer of an ownership interest in land to preserve open space and existing natural conditions, including plant or animal habitats. Subject to authorization by the WCB, a Notice of Exemption will be filed with the State Clearinghouse.

STAFF RECOMMENDATION

Staff recommends that the Wildlife Conservation Board approve this project as proposed; allocate \$5,509,000.00 from the Habitat Conservation Fund (Proposition 117), Fish and Game Code Section 2786(b/c)(Proposition 1E) 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 to proceed substantially as planned.

19. Appraisal Review and Disclosure
Statewide

Informational/Action

During its February 24, 2011 and September 13, 2011 public meetings, the Wildlife Conservation Board (Board/WCB) discussed and requested information about appraisals for the acquisition of interests in real property, appraisal reviews, and public disclosure of appraisal information. At the February 24, 2011, meeting the Board requested a written summary of the appraisal review process and directed staff to provide recommendations regarding public disclosure of appraisal information for proposed acquisition projects involving large acreages of land.

In response to the Board's February 2011 request, a summary of the appraisal review process was provided to each member of the Board and each Joint Legislative Advisory Committee member. The Agenda and Minutes for the September 13, 2011 Wildlife Conservation Board meeting include copies of this summary as well as background information regarding professional appraisal standards.

Staff prepared recommendations regarding the disclosure of appraisal information for Board consideration at the September 13, 2011, public meeting. However, no action was taken. Instead, the Board requested staff to continue to work on an appraisal disclosure policy.

ACTIONS IN RESPONSE TO BOARD DIRECTIVES

In response to the Board directives, staff surveyed appraisal disclosure practices of other California State entities that acquire or fund real property acquisitions. Staff conducted similar discussions with two federal entities and surveyed a number of other states to determine how they approach appraisal disclosure. Further, staff analyzed historic acquisition project data (fee title and conservation easement) to ascertain any relationship between the size and cost of acquisition projects previously funded by the Wildlife Conservation Board. Finally, staff convened a diverse stakeholder working group comprised of representatives of the land trust community, private landowners, appraisers, and conservancy and other State entity staff. These efforts provide the basis for the draft appraisal and disclosure policy being presented to the Board for consideration at this meeting.

OTHER CALIFORNIA STATE ENTITY APPRAISAL DISCLOSURE PRACTICES

Staff contacted representatives of the following State entities: Department of General Services (DGS), including staff for the Public Works Board; Department of Water Resources; State Coastal Conservancy; Department of Conservation; Sierra Nevada Conservancy; CALTRANS; and the California Tahoe Conservancy. Each entity reported that it provides information to the public prior to taking any official action on an acquisition project. While the level and

specificity of the information varies, prior to formal approval each entity supplies the public with descriptive project information consistent with applicable open meeting laws and its unique operational mission and authority. However, no State entity contacted releases acquisition project appraisals to the public until after the close of escrow. This practice is consistent with the California Public Records Act, under which appraisals made by or for the State are exempt from public disclosure "until all of the property has been acquired" (Government Code Section 6254 (h)). It also reflects the confidentiality standard that is part of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP). Under that standard an appraiser may not disclose confidential information or assignment results prepared for a client to anyone other than the client and persons specifically authorized by the client.

All the State entities interviewed acknowledged the importance of providing the public with information necessary for it to understand the nature of a proposed project including how and why the proposal qualifies for public funding and support. However, there was a strong consensus (among the government entities as well as members of the stakeholder working group and appraisers) that release of the acquisition appraisal prior to a project being formally approved by the acquiring or funding entity, and subsequent close of escrow, could conflict with professional appraisal standards; infringe upon a landowner's rights (including the right to privacy); potentially frustrate and delay, rather than facilitate, the public decision-making process; and jeopardize the completion of the acquisition project.

FEDERAL AGENCY AND OTHER STATES APPRAISAL DISCLOSURE PRACTICES

According to staff from the Internal Revenue Service and the U.S. Fish and Wildlife Service, federal entities authorized to acquire interests in real property generally do not disclose the contents of appraisals prior to the close of escrow. As is the case here in California, public information laws in six of the seven states surveyed (Oregon, Washington, Massachusetts, Utah, Texas and Georgia) provide that appraisals relating to the purchase of real property are not subject to public disclosure until an acquisition has been completed. However, in New Mexico conservation easement appraisals submitted to the Energy, Minerals and Natural Resources Department as part of the state tax credit application are considered a "public document" and available for release to the public.

ANALYSIS & SUMMARY OF HISTORIC ACQUISITION PROJECT DATA

Major acquisitions of conservation lands are defined, and subject to the requirements for appraisal, appraisal review and public disclosure set forth, in Public Resources Code Section 5096.500 et seq. Public Resources Code Section 5096.501 defines a "major acquisition" as an acquisition project that contemplates or includes an expenditure of more than \$25 million of State funds.

In response to the Board directive, staff analyzed acquisition data in an attempt to identify projects that do not meet the definition of major acquisition in Public Resources Code Section 5096.501 but might also be considered major (e.g., projects involving large acreages). Staff reviewed data covering projects approved by the Board between July 1, 2000 and June 30, 2010 (FY 2001 – 2010). Based upon that review, staff has made the following observations:

Fee Title Acquisitions:

- A total of 467 projects were approved protecting 426,873 acres
- The Board allocated \$1.2 billion (various funds)
- Total acquisition costs were \$2.2 billion (including non-State funders)

The majority (74.9%) of the fee title acquisition projects involved properties of 500 acres or less (350 projects). The next largest group of projects (11.1%) included properties ranging in size from 500 to 1,500 acres (52 projects), followed by (47) projects ranging in size between 1,500 acres to 5,000 acres (9%). The remaining (5%) of the fee title acquisition projects included (18) properties greater than 5,000 acres.

Conservation Easements:

- A total of 127 projects were approved protecting 367,175 acres
- The Board allocated \$182 million (various funds)
- Total acquisition costs were \$328 million (including non-State funders)

The largest single category of projects (65.3%) ranged in size between 9 and 2,000 acres (83 projects). The second largest block of projects, about (19%) ranged between 2,000 acres and 5,000 acres (27). The remaining projects (15.7%) were comprised of 5,000 acres or more (17).

RECENT TRENDS

A closer review of the above data revealed an interesting trend. For both fee title and conservation easement acquisitions, more large projects were approved from 2000 through 2004 than from 2005 through 2010. Specifically, from 2000 to 2004, 25 projects met or exceeded 5,000 acres in size. However, from 2005 through 2010, only 10 projects met or exceeded the same 5,000 acre threshold. Looking at the data by Board allocation, the trend is similar. Specifically, using Board allocations of \$5 million or more as criteria, 46 projects were approved from 2000 through 2004. However, from 2005 through 2010, there were only 17 projects approved for which the Board allocated \$5 million or more.

Based upon the historic data, there was no direct relationship between the size of the project and its cost. Location by itself was not determinative either. In

general, projects located in the southern and coastal regions of the State tended to cost more than those located in the north or the central valley. However, if a project in the north consisted of prime soils and was targeted for rural expansion or development, those acres tended to cost more than open space acreage located in or near southern California.

The diversity of acquisition projects, both fee and easement, coupled with the complexities associated with appraisals, make it very difficult to identify any commonality, general trend, or relationship between the number of acres and the cost of a project. Similar factors make it even more difficult to identify projects with common characteristics involving an expenditure of State funds below \$25 million that might benefit from additional public review.

PROPOSED POLICY THRESHOLDS

The policy being presented for consideration would apply to “major acquisitions” of “conservation lands” (as defined in Public Resources Code Section 5096.501) as well as projects involving a grant or use of State bond funds to acquire an interest in land comprising 5,000 acres or more or for which WCB proposes to allocate \$5 million or more (referred to below as a “substantial acquisition”).

Based on historic acquisition project data, the proposed policy would apply to approximately 17 percent of Board-funded acquisition projects. The projects subject to the policy would represent approximately 58 percent of the total acquisition acreage and approximately 68 percent of the total funding allocation by the Board.

PROPOSED POLICY

To address the Board’s interest in expanding public access to information supporting appraised values and encouraging greater public confidence in the quality and reasonableness of appraisers’ opinions of value, staff propose the Wildlife Conservation Board adopt a policy for proposed projects involving a “substantial acquisition” or a “major acquisition” of “conservation lands” that would direct staff to do all of the following:

1. Contract for an independent appraisal of the fair market value of the property or interest;
2. Contract for an independent technical review of the appraisal (except as noted);
3. Provide the independent review report to the Department of General Services during its review of the appraisal; and
4. To facilitate the public's understanding of appraised values, post the independent review report on the Board's website not less than 30 days in advance of the public meeting at which the project will be considered for approval by the Board.

The proposed policy is set forth below on page 60 of this Agenda. In addition to the proposed policy staff has prepared the attached example of "Instructions for the Independent Appraisal Review." While the instructions are not part of the proposed policy, they illustrate how staff envisions it could implement the appraisal review the policy calls for.

ANTICIPATED EFFECTS OF POLICY

Obtaining independent appraisals and third party appraisal review for acquisition projects consisting of 5,000 acres or more or for which the Wildlife Conservation Board proposes to allocate \$5 million or more is a delicate balancing act that must take into consideration the interests in additional public disclosure, fiscal resources, staff workload, and the complexity of the project and appraisal. Given the significant variations among acquisition projects, staff estimates that if the Board adopts the recommended policy, the Wildlife Conservation Board will need to obtain an independent appraisal and a third party appraisal review for approximately ten additional projects per year. Staff estimates that the cost to implement the policy could range anywhere from approximately \$40,000 to \$400,000 per year, as described below.

The cost of an independent appraisal varies depending on a multitude of factors such as size and location of the subject property, its current condition, access, and current and projected use. Appraisal costs typically run between a low of \$3,000 to \$10,000. However, appraisals can also cost as much as \$20,000 to \$30,000 or more. Accordingly, staff estimates the additional cost for ten appraisals could range from approximately \$30,000 to approximately \$300,000 per year.

The estimated cost of a third party appraisal review varies between \$1,000.00 and \$10,000.00 per review. As such, the total cost for ten additional independent appraisal reviews could range from a low of approximately \$1,000.00 to a high of approximately \$100,000.00 per year.

These estimates do not include the additional DGS charges associated with its statutorily mandated review and approval of appraisals. Depending on the complexity of the appraisal and the appraisal review report, the DGS appraisal review costs could range between \$3,000.00 and \$6,000.00 over and above the costs to contract for an independent appraisal and appraisal review.

In addition to the increased costs associated with the proposed policy, staff estimates an additional three to four months of internal processing time would be needed for most projects before a proposed acquisition or grant subject to the policy could be presented to the Board for consideration. This additional time would be used to contract for and obtain the independent appraisal; contract for

and obtain an appraisal review, if appropriate; present the appraisal to DGS for approval and post the review report on the WCB website.

STAKEHOLDER WORKING GROUP

As previously mentioned, staff convened a public stakeholder working group to review and provide comments on the proposed policy and sample instructions for appraisal review. The working group met at WCB offices on December 12, 2011. Before, during and after that meeting the working group also reviewed and provided comments to drafts of the proposed policy and sample instructions. Many of the comments pertained to the proposed thresholds for application of the policy. The working group also provided valuable suggestions regarding the scope, content and organization of the sample instructions. The comments and suggestions were informative and helpful in understanding the perspectives and concerns of interested parties. The proposal now being presented to the Board includes a number of changes (such as the proposed \$5 million threshold) that grew out of discussions with and input received from the working group.

DISCRETIONARY EXEMPTION

The proposed policy includes, as item 4, a possible discretionary exemption for projects involving a proposed Wildlife Conservation Board allocation of less than \$5 million. This exemption responds to concerns raised by some stakeholders regarding the additional time necessary for staff to obtain an independent appraisal and appraisal review where the Board is a lesser participant in funding a proposed project.

To address stakeholder concerns, the proposed policy would allow the Executive Director to waive application of the policy if all of the following conditions are met:

- (1) At least one State department, board or conservancy has held a public meeting to consider, and authorized funding for, the proposed project; and
- (2) WCB proposes to allocate less than five million dollars (\$5,000,000.00) of state funds for the proposed project; and
- (3) At least one State department, board or conservancy has authorized funding for the proposed project in an amount greater than the proposed WCB allocation; and
- (4) The purchase price of the property or interest to be acquired does not exceed fair market value as established by an appraisal approved by DGS no more than six months before the WCB holds a public hearing to consider the proposed project; and
- (5) The proposed project has not been subject to significant public controversy, concern or opposition at the State or local level.

Should the Board wish to contract for an independent appraisal, an appraisal review and provide appraisal review information to the public for transactions in

addition to those that are “major acquisitions” subject to Public Resources Code Section 5096.500 et. seq., staff suggests the following draft policy for Board consideration. The proposed policy is intended to address the Board’s directive and encourage/support public confidence by providing additional appraisal review information regarding selected acquisition projects.

DRAFT POLICY

The Wildlife Conservation Board (WCB) is authorized by statute to acquire, and make grants for the acquisition of, interests in real property to preserve and protect fish and wildlife and provide suitable recreation throughout the state. The purchase price for the real property must not exceed fair market value as established by an approved appraisal.

To ensure public confidence in amounts paid and procedures used for the acquisition of real property, while also ensuring that transactions can proceed efficiently and expeditiously, before approving projects that involve an expenditure of more than \$25 million of state funds WCB must also have the appraisal reviewed by a qualified independent appraiser and make the independent review report available to the public.

To continue to ensure public trust and confidence in the WCB acquisition process and provide additional transparency in the purchase of real property, independent review and disclosure of appraisal information as provided in the following policy is appropriate.

Therefore, it is the policy of the Wildlife Conservation Board that:

For proposed projects involving a “Substantial Acquisition” (as defined below) or a “major acquisition” of “conservation lands” (as defined in Public Resources Code section 5096.501¹),

1. WCB staff shall contract for an independent appraisal of the fair market value of the property or interest to be acquired (unless the project is a proposed grant under the California Rangeland, Grazing Land and Grassland Protection Program²).

¹ “*Major acquisition*” is defined in Public Resources Code section 5096.501 (c) as an acquisition where an agency proposes to spend more than twenty-five million dollars (\$25,000,000.00) of state funds. “*Conservation lands*” is defined in Public Resources Code section 5096.501 (b) as any land or interest therein to be acquired by an acquisition agency, or that is owned by the state. (“*Acquisition agency*” is defined in Public Resources Code section 5096.501 (a) as the Wildlife Conservation Board, the Department of Parks and Recreation or a state conservancy.)

² Under Public Resources Code section 10338 (b) each application for a grant under the California Rangeland, Grazing Land and Grassland Protection Program must include “an independent and impartial

The independent appraisal must be:

(a) prepared by a licensed appraiser³ (or, for a major acquisition of conservation lands, a qualified member of the Appraisal Institute who is licensed pursuant to the Real Estate Appraisers' Licensing and Certification Law⁴); and

(b) prepared pursuant to the Uniform Standards of Professional Appraisal Practice (USPAP); the Department of General Services ("DGS") regulations in California Code of Regulations, Title 2, Section 1880; and any other applicable State standards (together, "Applicable Requirements").

For purposes of this policy, "Substantial Acquisition" means the grant or use of state bond funds to acquire an interest in real property comprising 5,000 acres or more or for which the WCB proposes to allocate five million dollars (\$5,000,000.00) or more of state funds.

2. WCB staff shall contract for an independent technical review ("independent review") of each appraisal for a Substantial Acquisition or major acquisition of conservation lands unless, in the opinion of staff, the appraisal fails to meet Applicable Requirements. The independent review must be performed by a qualified independent appraiser who is licensed pursuant to the Real Estate Appraisers' Licensing and Certification Law,⁵ did not conduct the appraisal under review and has no financial interest in the proposed project.⁶

The independent review must include a field review⁷ and must meet the requirements of Standard 3 of USPAP and instructions issued by staff. The instructions shall call for an opinion about the quality of the entire appraisal report under review (without the reviewer's own opinion of value), the reasonableness of the value conclusion and whether or not the appraisal conforms to Applicable Requirements, all of which must be provided in a narrative report. The narrative report shall also include, at minimum, a summary of the appraisal, a statement of the basis on which the value of the land was established, a description of the

appraisal prepared by a real estate appraiser who is licensed pursuant to the Real Estate Appraisers' Licensing and Certification Law (Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code)."

³ Fish and Game Code section 1348.2

⁴ Public Resources Code section 5096.511

⁵ Public Resources Code section 5096.512 (a)(2)

⁶ Public Resources Code section 5096.512 (a)(1)

⁷ A "field review" must include a field inspection of the subject property (and, if improved, an inspection of the exterior and interior of the improvements) as well as independent verification and analysis of the appropriateness and completeness of market and other data. Such verification and analysis may also require field inspection of properties used as comparable sales.

standards used to prepare the appraisal and a determination of whether or not the appraisal meets the standards established under USPAP.⁸

3. WCB staff shall provide the independent review report to the DGS during its review and evaluation of the appraisal for any Substantial Acquisition or major acquisition of conservation lands that staff anticipates recommending to the WCB for approval. If DGS approves the appraisal and staff will be recommending the proposed project to the WCB for approval, then not less than 30 days in advance of the WCB holding a public hearing to consider such recommendation staff shall post the independent review report on the WCB website (www.wcb.ca.gov). The independent review report may omit any proprietary information provided by or on behalf of the seller or that is otherwise exempt from public disclosure pursuant to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

4. The Executive Director may (but is not required to) waive application of this policy if a proposed Substantial Acquisition project comprising 5,000 acres or more meets all of the following conditions:

(a) At least one State department, board or conservancy has held a public meeting to consider, and authorized funding for, the proposed project; and

(b) WCB proposes to allocate less than five million dollars (\$5,000,000.00) of state funds for the proposed project; and

(c) At least one State department, board or conservancy has authorized funding for the proposed project in an amount greater than the proposed WCB allocation; and

(d) The purchase price of the property or interest to be acquired does not exceed fair market value as established by an appraisal approved by DGS no more than six months before the WCB holds a public hearing to consider the proposed project; and

(e) The proposed project has not been subject to significant public controversy, concern or opposition at the state or local level; and

(f) Either (i) or (ii) applies:

(i) the total amount of state funding for the proposed project does not exceed \$25 million; or

(ii) the Department of Parks and Recreation or a state conservancy has authorized funding for the proposed project and, before taking that action, the funder complied with the conservation lands acquisition procedures governing appraisal, appraisal review and public disclosure in Public Resources Code section 5096.511 - 5096.513.

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⁸ Public Resources Code section 5096.512 (b)

STAFF RECOMMENDATION

The proposed policy will have an impact upon the Board's staff and fiscal resources. The workload will increase for those projects covered by the proposed policy and it will require more time and cost more money to process these transactions for Board consideration. However, the policy will provide the benefit of additional disclosure and should lead to increased public confidence in amounts allocated for larger acquisition projects. This confidence will come from knowledge that the Board is conducting the business of acquiring, and granting funds to acquire land, in accordance with criteria that incorporates statutory requirements, professional industry standards, is transparent and fiscally accountable.

Staff recommends that the Wildlife Conservation Board adopt the policy as proposed.

**INSTRUCTIONS FOR INDEPENDENT APPRAISAL REVIEW
EXAMPLE ONLY**
(Additional instructions are not part of the proposed policy)

The review appraiser shall review the entire appraisal report; conduct a field inspection of the subject property (including any improvements) and, upon request of the client, inspect properties used as comparable sales; form an opinion about the quality of the entire appraisal report under review; and prepare and submit a narrative appraisal review report, as follows:

PART I: THE APPRAISAL REVIEW REPORT

PART I: The reviewer's report should be in a narrative format and address, at a minimum, each of the following:

1. Identify the problem to be solved and the appropriate scope of work (in accordance with USPAP). Demonstrate that the scope of work is sufficient to produce credible assignment results.
2. Set forth the skills, expertise, knowledge and experience that qualifies the review appraiser to perform the scope of work necessary to produce credible results. These may include, depending on the review assignment's scope of work and without limitation, familiarity with the specific type of property or asset, regional real estate market, geographic area, analytic method, appraisal process, and applicable laws, regulations and guidelines.
3. Summarize the appraisal report. If the appraisal under review includes proprietary information provided by or on behalf of the seller (e.g., trade secrets or confidential income, lease or other financial data) or information that is otherwise exempt from public disclosure pursuant to the California Public Records Act, such information may be omitted from the review report.
4. Present, consistent with the scope of work, an opinion as to the completeness, accuracy, adequacy, relevance and reasonableness of the analysis in the work under review, given laws, regulations, and intended user requirements applicable to the report under review.
5. Present an opinion as to whether or not the appraiser properly identified and inspected the subject property, researched sufficient relevant data, and analyzed and applied the data to arrive at credible and reasonable opinions or conclusions.
6. Describe regulatory requirements with which the appraisal should have complied (if applicable).

7. Describe the standards used to prepare the appraisal.
8. Conduct tests for reasonableness. Cross-check value conclusions with conclusions derived in previous assignments and recognized sources of market information.
9. Confirm the data contained within the appraisal report, including the accuracy of mathematics.
10. State an opinion as to the appropriateness of the appraisal methods and techniques used.
11. State the basis on which the value of the land or interest was established.
12. State an opinion as to whether the opinions, value and conclusions contained in the appraisal report are, based on the reviewer's experience, knowledge and investigations, credible and reasonable.
13. Provide an opinion as to the adequacy and quality of the entire appraisal report under review (without the reviewer's own opinion of value) that addresses the tasks identified in Part II of these Instructions.
14. State any area(s) of disagreement and provide an explanation and rationale for the disagreement(s).
15. If property includes merchantable timber, provide an opinion as to the adequacy of the timber cruise review and timber evaluation.
16. If property is agricultural land, provide an opinion of the analysis of any leases and any type of irrigation system, including description of wells, pumps, pivots, water delivery systems, etc.
17. If appraisal includes a separate value for water or mineral rights, provide an opinion as to the adequacy of the analysis upon which such value is based.

PART II: ANALYSIS OF ADEQUACY AND QUALITY OF APPRAISAL

PART II: In developing the reviewer's opinion as to the quality of the appraisal report under review, as instructed in Part I, at minimum the reviewer shall analyze whether and how well the preparer of the report under review performed each of the following tasks:

1. Complied with the client's instructions and specifications for the report under review.
2. Conformed to the standards and any regulatory requirements by which the appraisal was to be prepared. Elaborate on how well the appraisal report meets USPAP and state standards.
3. Described and analyzed the area surrounding the subject property.
4. Identified and described any extraordinary assumptions or hypothetical conditions that affect the appraisal assignment and stated how the use of any such extraordinary assumptions or hypothetical conditions might have affected the assignment results.
5. Analyzed sales and other relevant market data used for comparison with the subject property. The appraisal review report should include the appraiser's matrix or adjustment table summarizing comparable sales information.
6. Described and analyzed the site, including all relevant items such as improvements (e.g., age, quality, condition, utility, size, layout), zoning, taxes, existing leases, assessments, utilities and topographic features.
7. Included sales sheets which disclose information such as zoning, access, a brief description of improvements, sale and recording dates, pertinent contract terms, information source (broker, buyer, seller, confidential) including sale confirmation and verification; and other information (such as street address, post mile, distance from local landmarks such as bridges, road intersections or structures) relating to relevant sales.
8. Described and analyzed market based assumptions including, when appropriate, items such as cost and time necessary to subdivide land; cost to install utilities and other infrastructure improvements; comparable transactions for the sale of subdivided parcels; discounts associated with remote parcels; and discount rates.
9. Provided an adequate highest and best use analysis, considering all uses that are physically possible, legally permissible, financially feasible and maximally productive to reach a reasonable final conclusion of highest and best use.

10. Provided sufficient and credible support for the opinion of value of the subject property.
11. Applied the three traditional approaches to market value (sales comparison, income and cost). If any approach was not used, was the explanation as to why adequate?
12. Described and analyzed all title exceptions and restrictions and discussed any impacts to market value. (A preliminary title report must be included in the appraisal report.)
13. Correlated the approaches to value and any other indications of value to arrive at a final estimate of market value.