

County Of Sonoma Agenda Item Summary Report

Clerk of the Board Use Only
Meeting Date **Held Until**
 / / / /
Agenda Item No: **Agenda Item No:**
 _____ _____

Department: Sonoma County Agricultural Preservation and Open Space District

4/5 Vote Not Required

Contact:
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Board Date:
11/3/2009

Deadline for Board Action:
11/3/2009

AGENDA SHORT TITLE: Acquisition of the Jenner Headlands Property

REQUESTED BOARD ACTION: Resolution of the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District Approving the Acquisition of a Conservation Easement over the 5,630-acre Jenner Headlands Property for up to \$10,150,000 and Approving a Grant of \$1,000,000 towards Public Access Improvements, Operation and Maintenance and Habitat Restoration over the Property; Determining that the Acquisition is Consistent with the 2020 Sonoma County General Plan; Authorizing the Execution of a Conservation Easement; Authorizing the Execution of Grant Agreements; Authorizing the Execution of a Certificate of Acceptance; and Making Certain Determinations pursuant to the California Environmental Quality Act.

CURRENT FISCAL YEAR FINANCIAL IMPACT

EXPENDITURES:

ADDITIONAL FUNDS REQUIRING BOARD APPROVAL:

Estimated Cost	\$10,150,000	Contingencies (Fund Name:)	\$0
Amount Budgeted	\$10,150,000	Unanticipated Revenue (Source:)	\$0
Other Available Appropriations (Explain Below)	\$0	Other Transfers (Source:)	\$0
Additional Requested	\$0	Additional Funds Requested	\$0

Explanation (if required): This acquisition is appropriated in the District's Measure C fund 697102-8500.

Prior Board Action: None.

Alternatives – Results of Non-Approval: Do not adopt resolution. Close of escrow to acquire the Jenner Headlands property will not occur.

Background:

NOTE: Conservation Easement, Certificate of Acceptance, Notice of Exemption, and Appraisal are on file with the Clerk of the Board

Project Summary

The District is proposing to participate in the purchase of the 5,630-acre Jenner Headlands property to protect unique natural and scenic values while providing for public recreational opportunities. The District will participate in the project through the purchase of a conservation easement over the entirety of the property. The Jenner Headlands project is a multi-partner effort being led by the Sonoma Land Trust. Sonoma Land Trust will hold the property at closing and operate and manage the property for ecological restoration and enhancement and public recreational use. The significance of this project has drawn the interest and support of numerous federal, state, and non-profit partners.

Property Description

The 5,630-acre Jenner Headlands property is located along Highway 1 on the Sonoma Coast just north of the Russian River surrounding the town of Jenner. It is adjacent to Sonoma Coast State Park, and is a northerly continuation of the string of conservation projects in western Sonoma County in which the District has participated (Willow Creek, Carrington, Red Hill, Wright Hill Ranch, Colliss and Rigler). Current land use on the property includes commercial timber harvesting, livestock grazing, and private recreation. Surrounding lands are predominantly recreational and large acreage parcels devoted to timber production and livestock grazing, with some rural residential and vineyard parcels.

Project Benefits/Significance

This sizable property contains a biologically diverse landscape of moderate to steeply sloped forest and rolling grassland with riparian habitat. This diverse landscape provides opportunities for protection of a variety of conservation values which benefit the public and implement goals and objectives of numerous local and state plans including the District's Acquisition Plan, Connecting Communities and the Land. Each of these values is more particularly described below:

Ecological Resources. The 5,630-acre property is a complex mosaic of at least 13 known habitat types, including coastal prairie habitat with native serpentine wildflower fields; Montane hardwood-conifer forest, redwood forest, redwood/Douglas-fir conifer forests; oak woodlands interspersed with open meadows; chaparral at the higher elevations and ridge tops; wetlands, springs and seeps scattered throughout the property; estuarine habitat and intact riparian corridors. The property provides a diverse, contiguous region for important fish, wildlife and plant species, including ten known species of special concern (northern spotted owl, peregrine falcon, osprey, red-legged frog, yellow-legged frog, red tree vole, bank swallow, steelhead, Coho salmon, and swamp harebell).

Connectivity and Habitat Linkages. The property is adjacent to the 13,000+ -acre Sonoma Coast State Park and in close proximity to Sonoma Land Trust's 560-acre Little Black Mountain Preserve.

Scenic Resources. The property is adjacent to and visible from many points along an approximate 2.5 mile stretch of Scenic Coast Highway. It is also highly visible from many recreational and coastal access points, including the trails in Sonoma Coast State Park, and by paddlers on the Russian River.

Cultural Resources. The property has six known significant cultural resource sites related to Native American occupation, and it is probable that there are additional cultural resources on the Property. The property, also known as the Rule Ranch, was settled by John Rule in the late 1800's. Some of the buildings on the property may have historical significance.

Recreational Resources. The Sonoma Coast is visited by over three million people each year. The property will provide an opportunity to expand and improve approximately 2.5 miles of the California State Coastal Trail and provide more opportunities for access to coastal resources.

Protection of these important conservation values is consistent with adopted agency plans as follows:

Adopted Sonoma County Plans

2020 Sonoma County General Plan Open Space and Resource Conservation Element - Scenic Landscape Unit and Scenic Corridor (Highway 1); and Sonoma County Local Coastal Plan - Sanctuary-Preservation Area.

Connecting Communities and the Land, a Long Range Acquisition Plan

The Jenner Headlands project furthers policies in three categories in the Districts' acquisition plan as noted below:

Greenbelts and Scenic Hillides: b) Protect scenic lands that are visible from highly traveled roads and highways, and c) Protect lands with prominent natural features that contribute to the unique identity of communities.

Water, Wildlife and Natural Areas: a) Protect land with diverse plant communities that support multiple wildlife species, b) Protect land with large, unfragmented oak woodland and forest areas, c) Protect lands that are important for supporting healthy aquatic habitat in rivers and streams, f) Protect areas critical to watershed function, and g) Identify and conserve key habitat linkages.

Recreation and Education: a) Partner with county, state, federal agencies and non-profit organizations to establish and expand parks and preserves that protect Sonoma County's unique natural habitats, scenic areas, and other open space values of regional importance, and b) Expand recreational partnerships to acquire, develop, and manage lands for new parks, multi-use trails and preserves.

Other Plans/Documents

The property, or portions thereof, is also designated as a priority for protection by other agencies including the California State Coastal Conservancy, California Department of Fish & Game, California Department of Parks and Recreation, and California Department of Fire and Forestry.

Project Structure/Management

At close of escrow, the Sonoma Land Trust will accept title to and manage the property for an interim period of time until a public agency or another qualified non-profit partner is in a position to take ownership. The District will retain a conservation easement over the property. The primary purpose of the conservation easement is to protect the conservation values outlined above by requiring that the property remain in one intact holding, restricting development of the property to two building envelopes, and requiring the development of an Integrated Resources Management Plan (IRMP) pursuant to the criteria set forth in the conservation easement within two years of the acquisition of the property.

The IRMP is subject to prior District approval and will outline management goals and objectives designed to protect and enhance the ecological and cultural resources on the property, and provide public access and uses which are compatible with ecological and cultural resource protection. Land uses may include limited sustainable timber harvests and grazing to further the ecological goals, while providing an economic benefit for stewardship and management of the land. The Sonoma Land Trust has kicked off a campaign to raise \$4,000,000 for the interim management and recreational use of the property. The Gordon and Betty Moore Foundation has committed a \$2,000,000 matching grant towards this effort.

Funding

Multiple agencies, non-profit and other conservation partners will be involved in the acquisition and management of the property. The total cost of acquisition is \$36 million. Grant funding for the acquisition has been sought from the State Coastal Conservancy, the Wildlife Conservation Board, the Gordon and Betty Moore Foundation, the United States Forest Service, and the National Oceanic and Atmospheric Administration. Requested grant funds for acquisition of Jenner Headlands from these partner organizations total \$26,850,000. The District's contribution in escrow towards the acquisition will be \$10,150,000. Upon close of escrow, however, the U.S. Forest Service will make their \$1,000,000 contribution towards the acquisition through a reimbursement to the District. The District's contribution towards the acquisition of the property will thus total \$9,150,000. In addition, the District is proposing a \$1,000,000 match for the Moore commitment towards interim management of the property. This proposed contribution would provide for the first five years of operations and maintenance of the property, improvement of roads and trails related to the recreational use of the property, and restoration and enhancement of the property's natural features to benefit the ecological and water resources. The District will enter into a grant agreement with the Sonoma Land Trust that will outline the Trust's responsibilities and commitment with respect to use of these funds for the purposes described above.

As a result of the State bond freeze that occurred in December 2008, the proposed \$16 million contribution from the State Coastal Conservancy and the Wildlife Conservation Board has been delayed. At the time of the freeze, neither of these agencies' boards had approved the Jenner Headlands project. However, the State Department of Finance has made an exception to allow consideration of the project at both the Wildlife Conservation Board and State Coastal Conservancy Board meetings this quarter. The State Coastal Conservancy's Board of Directors approved the project subject to repayment upon availability of sufficient bond funds at its meeting on September 24, 2009. The Wildlife Conservation Board will consider the project on November 17, 2009. To date, Jenner Headlands is the only project being granted this exception in the entire state. Sonoma Land Trust continues its efforts to secure bridge funding to allow the project to move forward until lift of the freeze.

Appraisal Information

A full narrative appraisal was prepared by Dean Strupp and Associates with a date of valuation of November 1, 2007. The appraiser determined that the highest and best use of the property was development or sale of the seven existing legal coastal parcels and development of future estate/residential lots of the remaining 42 certificates of compliance through lot-line adjustment or subdivision with an additional estimated net income stream from timber logging over a ten-year period. The appraiser concluded the estimated market value of the land to be \$26,990,000 and the timber to be \$9,110,000, resulting in a total value of \$36,100,000.

District staff reviewed the appraisal and concluded it meets the District's Appraisal Standards and Guidelines. The Open Space Authority reviewed and approved the appraisal at its July 31, 2008 meeting, and on September 3, 2009, determined that this appraised value is further supported by an appraisal prepared for federal partners with a date of valuation of March 19, 2009.

Expenditure Plan Consistency

On October 1, 2009, by Resolution No. 2009-019, the Open Space Authority determined that the District's \$9,150,000 contribution towards the acquisition of the Jenner Headlands property and \$1,000,000 contribution for operations and maintenance and restoration and enhancement was consistent with the District's Expenditure Plan.

Project Timeline

The purchase agreement for the acquisition of Jenner Headlands for \$36,000,000 was extended from September 2009 to December 31, 2009. It is our understanding that the landowner is unwilling to further extend the agreement. Therefore, it is anticipated that Save the Redwoods League, The Wildlands Conservancy and the Packard Foundation may provide bridge funding to cover the state's contribution in order to close the project by year end. Sonoma Land Trust is currently negotiating loan agreements with these three entities.

California Environmental Quality Act (CEQA)

The project is categorically exempt from CEQA pursuant to State of California Section 15313(a) and (c) or, in the alternative, pursuant to Guidelines Section 15316 (a), 15317 and 15325 (a), (c) and (f).

Recommendation

The Interim General Manager recommends that the Board approve the resolution approving the District's participation in the acquisition of the Jenner Headlands property.

Attachments:

- 1. Site Map
- 2. Resolution

On File With Clerk:

- 1. Conservation Easement
- 2. Certificate of Acceptance
- 3. Notice of Exemption
- 4. Appraisal

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote: